

SECTOR SPOTLIGHT:

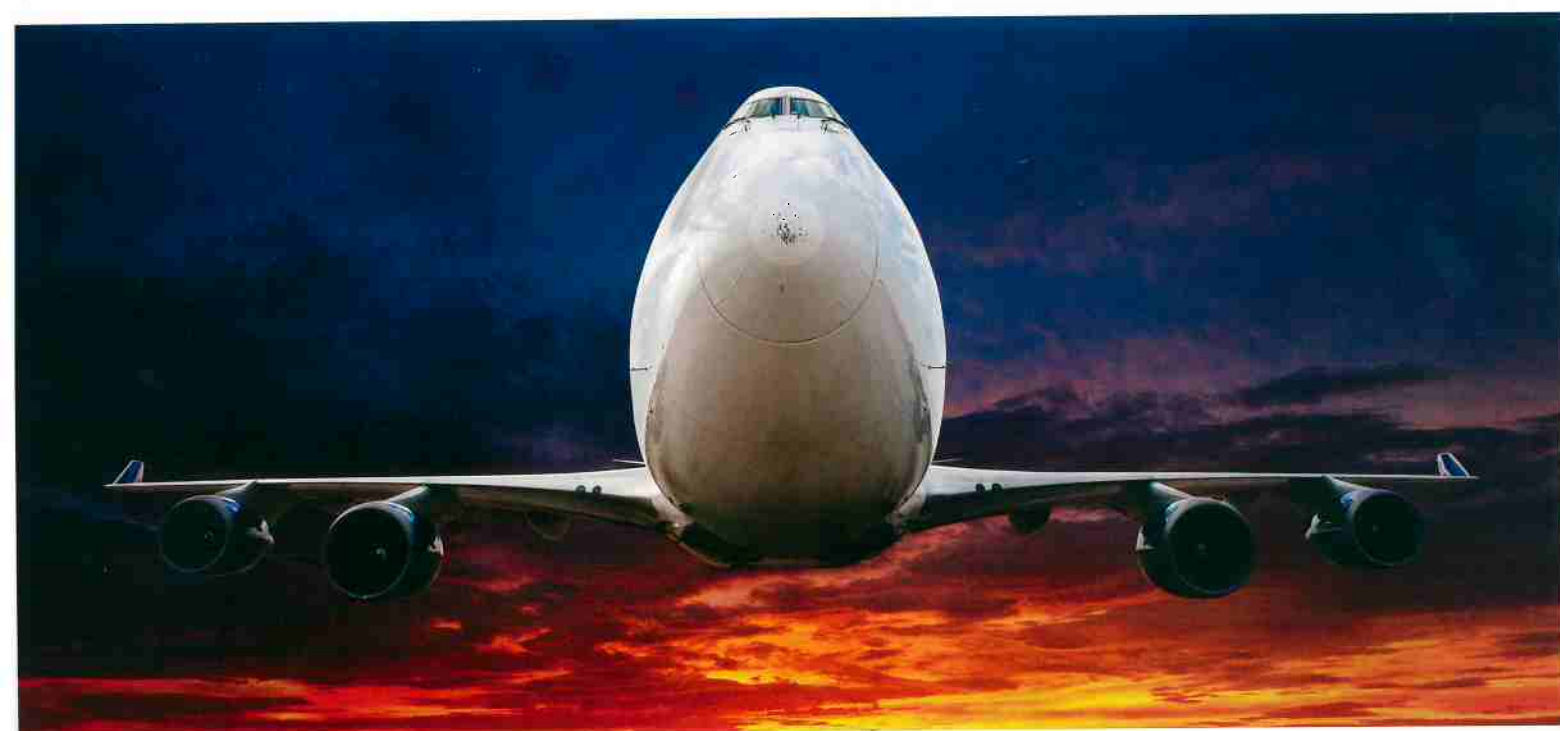
Avoiding and Resolving Disputes in the Aviation Industry

AVOIDING AND RESOLVING DISPUTES IN THE AVIATION INDUSTRY

In an ever-evolving and increasingly globalised world many industry sectors are presented with a host of challenges and opportunities to those working within it. Aviation is one of the world's most highly regulated industries and the plethora of such regulations, if not understood and properly dealt with, can have a dramatic effect on those working within the industry. Business disputes are likely to arise from time to time and can present a time consuming, often costly and unwelcomed matter to deal with especially if not handled properly.

Senior executives working within the industry are well advised to consult specialised professionals with the experience and knowledge required in order to avoid disputes arising from the off and to assist in resolving disagreements before they get out of hand.

Acquisition International discusses the key issues with experts in aviation disputes.



Chris Christodoulou is a partner specializing in aviation and corporate and commercial law in the Johannesburg office of Christodoulou & Mavrikis Inc. Chris holds a Masters degree in Aviation law from the University of London and is a qualified Solicitor in England & Wales.

Christodoulou & Mavrikis Inc is a full service law firm with a focus on aviation law and all forms of litigation. The firm is based in Johannesburg and has an office in Athens, which is managed by George Mavrikis and Themis Liacopoulos. The firm's clients include commercial and private aircraft owners, insurance brokers, charter and leasing parties, aircraft maintenance organizations, commercial operators, government agencies, commercial aviation industry groups, recreational aviation associations and private pilots. The firm's in depth knowledge of all aspects of local and international aviation law and Chris' past experience as a non-executive director of a regional commercial airliner sets the firm apart from its competitors.

Avoiding disputes within the aviation industry firstly requires an understanding of the regulatory and legal framework pertaining to the aviation industry. Advisers with industry knowledge together with a commercial understanding of the business challenges of the client will ensure that disputes are avoided or resolved efficiently.

The fact that the aviation industry operates in an international environment brings into play trans jurisdictional aspects of law incorporating numerous international conventions and regional directives such as those pertaining to the European Community. A wide choice of legal forums and rules and dispute resolution forms such as court-based mediation may also assist the parties in resolving aviation disputes.

Amongst the preventative measures that prospective clients can take are to employ law firms with a proven network of associate firms in the major aviation centers such as London, New York and the Asian Pacific hubs, as knowledge of local laws is essential. Carefully drafted agreements are paramount to avoiding and resolving disputes. Furthermore, carefully assessed and formulated security arrangements such as mortgage registration under the Convention on International Interests in Mobile Equipment, and the Protocol thereto on matters specific to aircraft equipment ("the Cape Town Convention") is essential.

The introduction of the Cape Town Convention has had a significant effect on the security measures taken over aircraft, and early stage due diligence when considering finance arrangements on behalf of both client and financiers is advised. Regarding insurance claims and passenger rights, European Directives have to a large extent clarified the legal position of parties, whilst in

developing regions such as Southern Africa, heightened government involvement in all sectors of the aviation industry has led to increased regulatory activity and legislated consumer protection laws.

In the commercial aviation sector, competition law complaints by low cost carriers against state owned airlines is on the increase and continued foreign ownership limitations continue to be a barrier to market entry.



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