

Malaysia orders release of PIA aircraft held over lease dispute

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Dhaka: A Malaysian court has ordered the immediate release of a Pakistan International Airlines (PIA) plane that was held back at Kuala Lumpur airport nearly two weeks ago due to a British court case over the jet's lease.

Malaysian authorities seized the Boeing 777 aircraft on January 15 after a court allowed an application by the plane's lessor, Peregrine Aviation Charlie Limited, to keep it grounded pending the outcome of a USD 14m lease dispute with PIA in a United Kingdom court.

The Kuala Lumpur High Court ordered the immediate release of the plane on January 27 after both sides said they had reached an amicable settlement to the dispute involving two planes leased to [PIA](#), according to a lawyer representing the airline.

"Peregrine has agreed to withdraw its suit against PIAC (Pakistan International Airlines Corp) and for the injunction orders to be set aside," said PIA counsel Kwan Will Sen. "With this, the two Boeing aircraft operated by PIAC would be released with immediate effect."

The two jets were leased to PIA by Dublin-based AerCap, the world's largest aircraft lessor, in 2015. They are part of a portfolio that AerCap sold to Peregrine Aviation Co Ltd, an investment unit of NCB Capital, the brokerage arm of National Commercial Bank SJSC, in

2018.

AerCap, which continued as part of the agreement to provide lease management services to Peregrine, has declined to make any comment on the case.

With over USD 4 billion in accumulated losses, PIA had been struggling financially when flights were grounded last year due to the coronavirus pandemic. After it resumed operations in May, a domestic PIA plane crash in Karachi killed 97 out of 99 people on board.

Later, PIA suspended 150 pilots after questions over the authenticity of their licenses emerged.

In June, the airline was banned from flying to the EU for six months over safety compliance concerns under a ban still in place. In the same month, the [Civil Aviation Authority of Vietnam](#) (CAAV) grounded all Pakistani pilots flying for domestic airlines in that country over concerns regarding their credentials.

Al Jazeera reported in July claims by Pakistani pilots that fraud and improper flight certification practices at the country's civil aviation regulator were rampant, and that air safety has routinely been compromised by airlines through faulty safety management systems, incomplete reporting and the use of regulatory waivers.

In September, the International Civil Aviation Organization (ICAO) advised Pakistan to undertake "immediate corrective actions" and suspend the issuance of any new pilot licenses in the wake of a scandal over falsified licenses.