

PIA pays USD 7mn to jet company after plane seized in Malaysia

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Dhaka: Pakistan International Airlines has paid about USD 7 million to the jet company Peregrine Aviation Charlie Ltd after it seized the two jets leased to the airline by Dublin-based AerCap. The London High Court informed the matter in a statement on January 22.

This comes a week after the Malaysian authorities seized a [PIA](#) Boeing-777 at the Kuala Lumpur airport on the orders of a local Malaysian court, over the non-payment of aircraft lease dues owed to the Dublin-based AerCap.

Lawyers for both the PIA and the airliner sought an adjournment as they hoped that the full amount would be paid through an agreement without the court issuing an order against PIA, according to local reports.

The Dublin-based AerCap's lawyer told the court, "The claimant's position is that the sums were paid today by the defendant (PIA)."

The court was informed that the PIA did not make payments since it asked for the amendment of its claim in July and that it owed USD 580,000 per month to the airliner, but it did not pay and litigation was initiated.

The leasing company had filed a case against the PIA in London High Court in October 2020 over its failure to pay the leasing fee worth about USD 14 million which had been pending for six months.

In response, Pakistan's national carrier had maintained that since the COVID-19 pandemic had seriously affected the aviation industry, there should be a reduction in the overhead charges.

Meanwhile, the leasing company kept an eye on the activities of PIA, and as soon as it received the information of flight 895's scheduled landing in Malaysia, it appealed to a local court to seize the aircraft as per the international civil aviation leasing laws, reports added.

The Boeing 777 aircraft was seized after London High Court issued the order, an airline spokesman said. "A PIA aircraft has been held back by a local court in Malaysia taking a one-sided decision pertaining to a legal dispute between PIA and another party pending in a UK court," he mentioned initially but later the flag carrier's lawyers raised no objections about the seizure of its plane in Malaysia.

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