



The Judicial Response to Cross-Border Aircraft Leasing Disputes

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ABSTRACT

*Cross-border aircraft leasing disputes often raised complex legal issues when airline lessees failed to satisfy their rental payment obligations under operating lease agreements. This article examined how courts responded to such disputes through a comparative analysis of two decisions under the English Commercial Court: *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company* [2025] and *Helice Leasing SAS v PT Garuda Indonesia (Persero) Tbk* [2021]. Here, the FWA case concerned contempt of court, specifically whether a party could be held liable for acting contrary to the purpose of a court injunction without technically breaching its express terms. By contrast, the Helice case focused on the procedural jurisdiction issues, specifically whether an English court or an LCIA arbitral tribunal had the authority to resolve the dispute in light of a conflicting dispute resolution clause. Through normative legal research and a comparative approach, this article demonstrates that although both cases reaffirm the principle of party autonomy under the Cape Town Convention 2001 and the English courts' consistent role as a neutral forum for international aviation disputes, their judicial outcomes diverged significantly. Therefore, this article highlights the importance of precise court orders and carefully drafted dispute resolution clauses in cross-border aircraft leasing transactions.*

Keywords: aircraft leasing; contempt of court; english court; jurisdiction; party autonomy.

I. INTRODUCTION

1. INTRODUCTION

In recent years, the aviation industry has played a crucial role in facilitating both national and international economic activities through efficient and sustainable transportation services.¹ Its continued growth is driven by technological advances and the massive mobility of people and goods, making aviation a strategic instrument that offers flexible solutions for international trade and tourism.²

According to John J. Sheehan in his book *Business and Corporate Aviation Management (2nd Edition)*, it can be understood that the business of aviation has become one of the most essential sectors of modern transportation, as it provides flexible, efficient, and time-sensitive travel solutions for various groups of people who rely on air transportation to maintain mobility, convenience, and greater control over their schedules and activities.³

Moreover, the rapid growth of global trade and international business activities has further increased the importance of aviation as a strategic instrument in supporting cross-border connectivity and economic development. Due to these significant demands and rapid growth of the aviation industry,

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¹ Demsey, Paul Stephen, and Laurence E. Gesell, *Air Transportation Foundation for the 21st Century: 2nd Edition*, Coast Aire Publication: United States, 2005, p. xxi (preface).

² Haldane Dodd, "Supporting Economic & Social Development," <http://atag.org/industry-topics/supporting-economic-social-development#:~:text=SHARE,to%20visit%20friends%20and%20family>. Accessed 27th of April 2026.

³ Sheehan, John. J., *Business and Corporate Aviation Management: 2nd Edition*, Mc Graw Hill Education: United States, 2013, p. 35.

many airline companies have adopted strategic policies and business measures in managing their fleets, especially in ensuring that the financial security and operational risks are managed efficiently.⁴

Many airlines are hesitant to purchase aircraft in large numbers because it requires a substantial capital investment, which is often difficult to secure within a limited time. In response to that issue, airlines increasingly rely on aircraft leasing as a primary method of fleet acquisition and management. According to Article 1 letter (q) of the Cape Town Convention (2001), a leasing agreement is defined as an agreement by which one person (the lessor) grants a right to possession or control of an object (with or without an option to purchase) to another person (the lessee) in return for a rental or other payment. Moreover, a leasing agreement is generally divided into two categories: (1) a finance lease is a type of lease where most of the risks and benefits of ownership are transferred to the lessee, while (2) an operating lease is a type of lease where the risks and benefits of ownership remain with the lessor.⁵ In practice, most airlines prefer operating leases because they offer greater flexibility, lower initial financial burdens, and easier fleet management compared to direct aircraft ownership.⁶ Accordingly, an aircraft leasing agreement enables airlines to maintain operational flexibility while minimizing upfront capital expenditure.

The cross-border nature of aircraft leasing transactions further introduces legal and commercial complexities, particularly when disputes arise. This is because parties in cross-border transactions are often subject to different jurisdictions and legal systems, and such disputes are commonly resolved in neutral jurisdictions, such as the English Court.⁷ This practice reflects the principle of party autonomy, as stipulated under Article 42 of the Cape Town Convention 2001, which allows parties to choose the forum for dispute resolution, even where it has no direct connection to the parties or the transaction.

One of the most common sources of disputes in aircraft leasing agreements is the lessee's default, typically involving late or non-payment of rent as well as failure to comply with contractual obligations.⁸ Such defaults may trigger a range of contractual remedies, including termination of the lease, acceleration of payment obligations, and claims for damages or termination sums.⁹ Given their significant financial impact, these remedies often become the focal point of legal challenges, especially when their enforceability is contested.

In resolving these disputes, courts are required to address procedural and substantive issues, especially issues such as jurisdiction and the validity and enforceability of contractual provisions.⁹ Moreover, courts may also need to deal with contempt of court, especially when a party's actions interfere, disrespect, or undermine the court's authority or the proper administration of justice.¹⁰

This article examines how courts respond to cross-border aircraft leasing disputes through a comparative analysis of two English Commercial Court decisions, namely *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company* [2025] and *Helice Leasing SAS v PT Garuda Indonesia*

⁴ Fuady, Munir. *Hukum tentang Pembiayaan dalam Teori dan Praktik*, Citra Aditya Bakti: Bandung, 2014, pp. 26–28.

⁵ Donald Patrick Hanley, *Aircraft Operating Leasing: A Legal and Practical Analysis in the Context of Public and Private International Air Law (2nd Edition)*, Wolters Kluwer: Netherlands, 2017, p. 14–15.

⁶ Morrell, Peter S. *Airline Finance: 5th Edition*, Routledge: England, 2021, p. 249–252.

⁷ Eversheds Sutherland, “London Calling: The Strategic Edge of English Law in International Disputes,” 2025, <http://www.eversheds-sutherland.com/en/qatar/insights/london-calling-the-strategic-edge-of-english-law-in-international-disputes>. Accessed 3rd of May 2026.

⁸ Alan Polivnick and Haeran Chung, “Negotiating Aircraft Leasing Agreements: Dealing with Dispute Resolution Clauses and Benefits of Arbitration,” Watson Farley & Williams, 2024, p. 1–2, <http://www.wfw.com/articles/negotiating-aircraft-leasing-agreements-dealing-with-dispute-resolution-clauses-and-the-benefits-of-arbitration/>. Accessed 3rd of May 2026.

⁹ McKendrick, Ewan. *Goode and McKendrick on Commercial Law 6th Edition*, LexisNexis: United Kingdom, 2020, p. 1099; Dicey, et. al, *The Conflict of Law*, Sweet Maxwell: United Kingdom, 2014, p. 20–25.

¹⁰ Arthur Daniel P. Sitorus, “Mengenai Istilah Contempt of Court,” IndonesiaRe, 2019, <http://www.indonesiare.co.id/en/article/mengenai-istilah-contempt-of-court>. Accessed 26th of May 2026; *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, [2024] EWHC 1945 (Comm), p. 7.

(*Persero*) Tbk [2021]. While both cases arise from aircraft leasing agreements, they differ significantly in their legal focus, as one primarily concerns procedural issues, whereas the other centers on challenges relating to contempt of court.

Based on the issues above, the following research questions are addressed in this study: How do courts respond to defaults arising in cross-border aircraft leasing disputes? And, how do courts differ in their judicial approaches to procedural matters and issues of contempt of court in handling such disputes?

II. RESEARCH METHOD

This research employs normative legal methods, namely legal research that treats law as a system of norms comprising principles, norms, rules and regulations, court decisions, and doctrine. Furthermore, the approach used in this research adopts a comparative approach in analyzing and contrasting two aircraft leasing disputes, *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company* [2025] and *Helice Leasing SAS v PT Garuda Indonesia (Persero) Tbk* [2021].

III. DISCUSSION AND RESULTS

3.1 The Case of FW Aviation (Holdings) 1 Ltd and VietJet Aviation (2025)

Background of the case

The dispute arose between FW Aviation (Holdings) 1 Ltd (“FWA”) as Claimant and VietJet Aviation Joint Stock Company (“VietJet”) as Defendant over four Airbus A321 aircraft leased under a Japanese Operating Lease with Call Option (“JOLCO”). In 2021, VietJet stopped making lease payments due to financial difficulties caused by the COVID-19 pandemic and travel restrictions in Vietnam. As a result, FWA acquired the rights of the original lenders and lessors and sought to recover the aircraft and claim compensation.¹² In August 2022, FWA commenced proceedings in England. Following the commencement of those proceedings, the parties entered into a consent order in November 2022 under which VietJet acknowledged FWA’s right to repossess the aircraft and agreed to its deregistration and export.

However, in early 2023, VietJet's shareholders filed a lawsuit in Vietnam against the Civil Aviation Authority of Vietnam (“CAAV”) and obtained a court order that suspended the deregistration of the aircraft and allowed VietJet to re-register and continue operating them.¹¹ FWA then obtained an injunction from the English court preventing VietJet from taking possession of, operating, or interfering with the aircraft. Despite this order, VietJet sent letters to Vietnamese authorities challenging the legality of the export process. Therefore, the central issue in this case concerns whether a party can be held in contempt of court for acting contrary to the purpose of an injunction, even if they have not actually violated its explicit terms.

Parties’ Arguments

FWA argued that VietJet should be held in criminal contempt of court even though it had not directly breached the express terms of the injunction. According to FWA, VietJet had sent letters to Vietnamese government authorities (the CAAV, the Deputy Prime Minister, the Deputy Transport Minister, and the Ministry of Transport) in a deliberate attempt to delay or prevent the export of the aircraft, which interferes with FWA's rights to possession and control. FWA also argued that contempt of court is not limited to conduct that clearly violates the exact wording of a court order but can also extend to conduct that intentionally undermines the purpose or intended

¹¹ *Ibid*, p. 9.

effect of the order.¹² In this case, FWA maintained that the injunction was granted to protect its entitlement to possession, custody, and control of the aircraft. Accordingly, by seeking to influence government authorities and obstruct the export process, VietJet had deliberately attempted to frustrate the purpose of the injunction and interfere with the administration of justice. On that basis, FWA argued that VietJet's conduct amounted to criminal contempt.¹³

In contrast, VietJet argued that contempt of court can only arise where a party clearly breaches the actual wording of a court order.¹⁴ VietJet emphasized that FWA itself had acknowledged that the letters sent to the Vietnamese authorities did not violate the express terms of the injunction, and accordingly contended that there was no legal basis for a finding of contempt. VietJet further argued that the law of contempt demands certainty and clarity, which means that a court order must clearly state what conduct is prohibited so that a party can only be held liable for actions that fall within those specific prohibitions.¹⁵ Holding a party in contempt based on “*spirit*” or “*purpose*” of an order rather than its actual wording would create legal uncertainty and make it impossible for parties to know what conduct is permissible, particularly serious given that contempt can result in fines or imprisonment.¹⁶ Additionally, VietJet argued that for both parties subject to the injunction and third parties, contempt in the context of injunctions can only arise from conduct expressly prohibited by the order.¹⁷ Therefore, VietJet contended that there was no legal basis for a finding of contempt against it.

Court Decision

The Court of Appeal ruled in favour of VietJet, holding that contempt of court can only arise from a breach of the actual wording of an injunction and not from conduct that merely goes against its “*spirit*” or “*purpose*.”¹⁸ Moreover, the court rejected FWA's argument that a party could be held in criminal contempt for acting against the purpose of an order where there was no breach of its terms. The court emphasized that the scope of an injunction is determined exclusively by its express terms and that expanding contempt liability beyond the clear language of the order would undermine legal certainty and procedural fairness, particularly given that contempt proceedings can lead to serious consequences such as fines or imprisonment.¹⁹

The court underlined that parties must be able to clearly identify from the face of a court order what conduct is prohibited, rather than having to speculate about its underlying purpose.²⁰

¹² *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, [2025] EWCA Civ 1458, p. 25. See also Nigel Lowe, Brenda Sufrin and Eady & Smith, *Arlidge, Eady and Smith on Contempt*, 5th ed., London: Sweet & Maxwell, 2017, p. 3.1; *Director of the Serious Fraud Office v O'Brien*, [2014] UKSC 23, [2014] AC 1246, p. 39.

¹³ *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, [2025] EWCA Civ 1458, p. 28–29.

¹⁴ *Pan Petroleum AJE Ltd v Yinka Folawiyo Petroleum Co Ltd*, [2017] EWCA Civ 1525, p. 41; *Navigator Equities Ltd v Deripaska*, [2021] EWCA Civ 1799, [2022] 1 WLR 3656, p. 82; *ADM International Sarl v Grain House International SA*, [2024] EWCA Civ 33, [2024] 1 WLR 3262, p. 80.

¹⁵ *Attorney-General v Punch Ltd*, [2002] UKHL 50, [2003] 1 AC 1046, p. 40 (Lord Nicholls): “the purpose of the court in making an interlocutory order means no more than the effect its terms show it was intended to have between the parties to the action in which it was made. Normally there will be no difficulty in gleaning this purpose from a reading of the order. The purpose of the order and its terms are co-extensive.”

¹⁶ *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, [2025] EWCA Civ 1458, p. 38.

¹⁷ *Attorney-General v Times Newspapers Ltd*, [1992] 1 AC 191, pp. 205–207; *Attorney-General v Punch Ltd*, [2002] UKHL 50, [2003] 1 AC 1046, p. 4; *Wolverhampton City Council v London Gypsies and Travellers*, [2023] UKSC 47, [2024] AC 983, p. 37–41.

¹⁸ *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, *Op. Cit.*, p. 54 (Lord Males): “the law of criminal contempt cannot be invoked in order to extend the scope of the injunction beyond its terms.”

¹⁹ *Ibid.*, p. 36–38; See also *Masri v Consolidated Contractors International Co SAL*, [2011] EWHC 1024 (Comm), p. 144–147.

²⁰ *Attorney-General v Punch Ltd*, *Op. Cit.*, p. 45–76 (Lord Nicholls).

Under *Attorney-General v Times Newspapers Ltd*²¹ and *Attorney-General v Punch Ltd*,²² the court confirmed that in injunction cases in which a third party commits criminal contempt only by doing an act that would itself have amounted to a breach of the injunction if done by the respondent. The same principle applies equally to the injunction respondent itself, and criminal contempt cannot be invoked to extend the scope of an injunction beyond its express terms.²³ Accordingly, the appeal was allowed and the earlier order permitting the amendment to the contempt claim was set aside.²⁶

3.2 The Case of PT. Garuda Indonesia and Helice Leasing S.A.S (2021)

Background of the Case

The dispute arose from an aircraft operating lease relationship between the Claimant, Helice Leasing S.A.S. (“Helice”), and the Defendant, PT Garuda Indonesia (Persero) Tbk (“Garuda”). Under a novation agreement dated 8 January 2016, Helice became the new lessor of a Boeing B737-800 aircraft (MSN 38884), replacing ACG as the previous lessor. According to the revised lease terms in Schedule 3 of the novation agreement, Garuda remained the lessee and was required to make regular monthly payments of Basic Rent and Additional Rent under the Lease.²⁴ However, beginning in January 2020, Garuda failed to make the required payments and remained in default throughout the year. Although Garuda made partial payments totaling approximately USD 585,000 in December 2020 and acknowledged the outstanding debt in its correspondence, the amount owed at the time of the hearing had risen to more than USD 5.15 million, excluding interest.²⁵ In emails dated 16 and 21 April 2020, Garuda acknowledged that they were required to make the payments and asked for more time to pay, explaining that they were still committed to meeting their obligations but needed financial assistance from the Indonesian government.

Later, on 15 July 2020, Garuda proposed a payment plan under which the overdue amounts would start to be repaid in January 2021, but Helice did not accept the proposal.²⁶ Moreover, Helice commenced proceedings before the High Court of England and Wales as they argued that Garuda’s failure to make the required payments constituted Events of Default under Clause 13.1(a) of the Lease.²⁷ In this case, the central issue was the jurisdictional objections, which were based on the arbitration clause in the lease agreement and the argument that Indonesia is the more appropriate forum for resolving the dispute.³¹

Parties’ Arguments

Helice argued that the dispute was properly brought before the English court and did not need to be referred to arbitration. They relied on Clause 13.2(b) of the Lease, which provides that upon an Event of Default, the lessor may “*proceed by appropriate court action or actions to enforce performance of this Lease Agreement or to recover damages for the breach of this Lease Agreement.*” Helice submitted that the words “*court action*” and “*actions*” clearly referred to litigation before national courts rather than arbitral proceedings, which constituted a unilateral exception to the arbitration clause in Clause 15.2, allowing the lessor to elect court proceedings following a default.

²¹ *Attorney-General v Times Newspapers Ltd* [1992] 1 AC 191 (HL).

²² *Attorney-General v Punch Ltd* [2002] UKHL 50, [2003] 1 AC 1046 (HL).

²³ *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company, Op. Cit.*, p. 53–54 (Lord Males): “The law of criminal contempt cannot be invoked in order to extend the scope of the injunction beyond its terms.”

²⁴ *Helice Leasing S.A.S. v PT Garuda Indonesia (Persero) Tbk*, [2021] EWHC 99 (Comm), p. 5.

²⁵ *Ibid.*, p. 6.

²⁶ *Ibid.*, p. 7.

²⁷ *Ibid.*, p. 56–57; *Ibid.*, p. 1–10.

According to Helice, this interpretation reflected commercial reality since a lessor may need to pursue proceedings in multiple jurisdictions. Helice further contended that there was no genuine dispute capable of being referred to arbitration because Garuda had effectively acknowledged the debt in its correspondence and had merely failed to make payment. In supporting this argument, Helice relied on the pre-1996 line of authorities holding that a claim for which there is no arguable defence does not constitute a “dispute” within the meaning of an arbitration agreement.²⁸ Finally, Helice submitted that England was an appropriate forum since the lease was governed by English law, the contract and correspondence were in English, and the transaction had a strong connection with England.

In contrast, Garuda applied for a stay of the English proceedings pursuant to section 9 of the Arbitration Act 1996,²⁹ contending that the dispute fell squarely within the scope of Clause 15.2, which broadly required arbitration of “... any dispute arising out of or in connection with this Lease Agreement, including any question regarding its existence, validity or termination shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration (the “LCIA Rules”).” Garuda argued that Clause 13.2(b) did not create an independent right to litigate and should instead be interpreted consistently with the arbitration agreement contained in Clause 15.2. In the alternative, Garuda submitted that the reference to “court action” in Clause 13.2(b) was merely a drafting error inherited from an earlier contractual template that contemplated New York law and court proceedings, and therefore could not override the parties' clear intention to submit disputes to arbitration.³⁰

On the issue of whether a dispute existed, Garuda relied on the decisions in *Halki Shipping Corporation v Sopex Oils Ltd*³¹ and *Exfin Shipping (India) Ltd v Tolani Shipping Co Ltd*,³² arguing that a dispute exists for section 9 of the Arbitration Act 1996 whenever a claim is not admitted as immediately due and payable, regardless of whether there is an arguable defence on the merits. Garuda further sought a stay on the basis of forum non conveniens, maintaining that Indonesia was clearly the more appropriate forum because Garuda is an Indonesian state-owned enterprise, the aircraft was registered and located in Indonesia, and the dispute had substantial connections with that jurisdiction. In support of this argument, Garuda relied on the principles established in *Spiliada Maritime Corporation v Cansulex Ltd*.³³

²⁸ *Nova (Jersey) Knit Ltd v Kammgarn Spinnerei GmbH*, [1977] 1 WLR 713 (HL).

²⁹ Arbitration Act 1996, sec. 9 (1): “A party to an arbitration agreement against whom legal proceedings are brought in respect of a matter which under the agreement is to be referred to arbitration may ... apply to the court in which the proceedings have been brought to stay the proceedings so far as they concern that matter.”; Under sec. 9 (4), “the court shall grant a stay unless the arbitration agreement is null and void, inoperative, or incapable of being performed”.

³⁰ *Helice Leasing S.A.S. v PT Garuda Indonesia (Persero) Tbk*, *Op. Cit.*, p. 62.

³¹ *Halki Shipping Corporation v Sopex Oils Ltd*, [1998] 1 WLR 726 (CA). The Court of Appeal held that under sec.9 of the Arbitration Act 1996, a dispute exists for the purposes of an arbitration clause whenever a claim is not admitted as due and payable, even if the defendant has no arguable defence. The omission from the 1996 Act of the words “there is not in fact any dispute” (which had appeared in sec.1(1) of the Arbitration Act 1975) was held to be a significant and deliberate change.

³² *Exfin Shipping (India) Ltd v Tolani Shipping Co Ltd*, [2006] EWHC 1090 (Comm), per Langley J. The Court held that there is no material distinction between a refusal to admit and a refusal to pay: both constitute a “dispute” within the meaning of an arbitration clause and sec.9 of the 1996 Act. It would be “remarkable if parties had chosen to address the issue of jurisdiction by reference to whether non-payment was due to a failure to admit a valid claim rather than a failure to pay it.”

³³ *Spiliada Maritime Corporation v Cansulex Ltd*, [1987] AC 460 (HL), per Lord Goff. The leading authority on forum non conveniens in English law. A defendant seeking a stay must demonstrate not merely that England is not the natural forum, but that there is another forum which is clearly or distinctly more appropriate, where the case may be tried more suitably for the interests of all parties and the ends of justice.

Court Decision

The High Court of England and Wales rejected Helice's construction of the Lease and granted Garuda's application for a stay under section 9 of the Arbitration Act 1996. Applying the broad and purposive approach to arbitration agreements established in *Fiona Trust & Holding Corporation v Privalov*,³⁴ court held that Clause 15.2 constituted a comprehensive arbitration agreement intended to encompass all disputes arising out of or in connection with the Lease. Moreover, Clause 13.2 was not treated as an exception to arbitration but as a provision explaining the lessor's rights after a default, which still had to be decided through arbitration. The Court also pointed out that Clause 15.2 was not overridden by Clause 13.2, which applies only after an Event of Default, and even deciding whether such a default occurred is itself a dispute covered by Clause 15.2. This issue would be inconsistent with the “one-stop shop” principle mentioned in the *Fiona Trust*.³⁵

The Court further regarded the reference to “court action” in Clause 13.2(b) as loose drafting, likely inherited from an earlier contractual template, and observed that, if necessary, they would have been prepared to construe or correct the provision consistently with the parties' evident intention to arbitrate disputes, in line with the approach adopted in *Chartbrook Ltd v Persimmon Homes Ltd*.³⁶ The Court further held that a dispute existed for section 9 of the Arbitration Act 1996 notwithstanding Garuda's acknowledgments in correspondence. Following *Halki Shipping Corporation v Sopex Oils Ltd*,³⁷ *Exfin Shipping (India) Ltd v Tolani Shipping Co Ltd*,³⁸ and approved in *P v Q*,³⁹ the Court confirmed that under the 1996 Act, unlike the position under the previous legislation,⁴⁰ a dispute exists whenever a claim is asserted and has not been admitted as immediately due and payable.⁴⁵ Garuda's refusal to pay and its stated intention to contest the proceedings were later sufficient to establish the dispute.

The Court also dismissed Garuda's *forum non conveniens* application, describing it as “hopeless.” Applying the principles in *Spiliada Maritime Corporation v Cansulex Ltd*,⁴¹ the Court found that Garuda failed to identify any specific issues that would be more appropriately tried in Indonesia and had not discharged its burden of proving that Indonesia was clearly a more suitable forum than England.⁴²

³⁴ *Fiona Trust & Holding Corporation v Privalov*, [2007] UKHL 40, per Lord Hoffmann. The House of Lords affirmed that arbitration clauses should be construed broadly and purposively, giving effect to the presumed commercial intention of parties to submit all disputes arising from their relationship to a single tribunal the “one-stop shop” principle. Rational businessmen are presumed to have intended any disputes arising from their relationship to be decided by the same tribunal.

³⁵ *Ibid.*

³⁶ *Chartbrook Ltd v Persimmon Homes Ltd*, [2009] AC 1101 (HL), per Lord Hoffmann. In exceptional circumstances, where it is clear that the parties have used the wrong words and it is equally clear what the correction should be, the court may correct a drafting error as a matter of construction, without the need for a formal rectification claim. See also *Investors Compensation Scheme Ltd v West Bromwich Building Society*, [1998] 1 WLR 896 (HL), per Lord Hoffmann's fifth principle of contractual interpretation.

³⁷ *Halki Shipping Corporation v Sopex Oils Ltd*, *Op. Cit.*, p. 761, as Swinton Thomas LJ stated at 761F–G: “there is a dispute once money is claimed unless and until the defendants admit that the sum is due and payable.”

³⁸ *Exfin Shipping (India) Ltd v Tolani Shipping Co Ltd*, [2006] EWHC 1090 (Comm).

³⁹ *P v Q*, [2018] EWHC 1399 (Comm), p. 52. The reasoning in *Exfin Shipping* was expressly approved, confirming that a refusal to pay an admitted debt is as much a “dispute” as a refusal to admit liability.

⁴⁰ Arbitration Act 1975, sec.1 (1). The 1975 Act permitted the court to refuse a stay where it was satisfied that “there is not in fact any dispute between the parties with regard to the matter agreed to be referred.” This qualification was deliberately omitted from the Arbitration Act 1996.; *Ellerine Bros (Pty) Ltd v Klinger*, [1982] 1 WLR 1375 (CA), p. 1383. See also *Tradax Internacional SA v Cerrahogullari TAS*, [1981] 3 All ER 344.

⁴¹ *Spiliada Maritime Corporation v Cansulex Ltd*, *Op. Cit.*, per Lord Goff.

⁴² *Limit (No. 3) Ltd v PDV Insurance Co*, [2005] EWCA Civ 383, p. 72.

3.3 Comparative Analysis

The cases discussed in this article, *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company* (FWA case) and *Helice Leasing SAS v PT Garuda Indonesia (Persero) Tbk* (Helice case), both involve international aircraft leasing disputes decided by the English Commercial Court. In both cases, the airline failed to pay rental obligations under an operating lease.

Although the disputes are similar, the legal issues are different.⁴³ This difference shows how complex aircraft leasing disputes can be. International aircraft leasing transactions often involve various legal systems, aircraft moving across countries, and the possibility of overlapping or conflicting court proceedings in different jurisdictions. Another important feature in both cases is the principle of party autonomy, where the parties are free to choose English law and the English courts as the method for resolving disputes.⁴⁴

First, both cases began with the same problem with the airline lessee's failure to fulfil its payment obligations under the aircraft lease agreement. However, the disputes subsequently evolved into different legal issues. As affirmed in the FWA case, the concerns are with the enforcement stage since FWA had already obtained a court order to repossess the aircraft and later argued that VietJet violates the purpose of that order.⁴⁵ On the other hand, the Helice case focused on whether the court had the jurisdiction to hear the dispute, as Garuda claimed that the matter should instead be resolved through arbitration under the lease agreement.⁴⁶

Second, the two cases also differed in their legal focus. The FWA case primarily engaged the law of contempt of court. The Court examined the legal standard and confirmed that contempt can only arise from a breach of the actual wording of an injunction, and not from conduct that merely acts against its "spirit" or "purpose."⁴⁷ According to *Attorney-General v Times Newspapers Ltd* [1992] and *Attorney-General v Punch Ltd* [2002], the same principle applies equally to injunction respondents as to third parties, so that criminal contempt cannot be invoked to extend the scope of an injunction beyond its express terms.⁵³ The Court further underlined that parties must be able to identify clearly from the face of a court order what conduct is prohibited, rather than being required to speculate about its underlying purpose.⁵⁴ In contrast, the Helice case was mainly concerned with procedural law, focusing on determining the right forum. The dispute arose because the lease agreement contained one clause allowing the lessor to take "court action" after a default and another clause requiring disputes to be resolved through LCIA arbitration. The court interpreted both clauses together and decided that the right to take "court action" did not override the arbitration agreement. In reaching this conclusion, the court followed the English law approach established in *Fiona Trust & Holding Corp v Privalov* [2004], which states that arbitration clauses should generally be interpreted broadly to prevent disputes from being divided between different forums due to unclear or ambiguous wording.⁴⁸

⁴³ *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, Op. Cit.; *Helice Leasing S.A.S. v PT Garuda Indonesia (Persero) Tbk*, Op. Cit.

⁴⁴ Cape Town Convention (2001), Art 42.

⁴⁵ *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, [2025] EWCA Civ 1458, p. 7–10; *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, [2024] EWHC 1945 (Comm), p. 7.

⁴⁶ *Helice Leasing S.A.S. v PT Garuda Indonesia (Persero) Tbk*, [2021] EWHC 99 (Comm),

⁴⁷ *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, Op. Cit., p. 54. ⁵³ *Attorney-General v Times Newspapers Ltd*, Op. Cit.; *Attorney-General v Punch Ltd*, Op. Cit.; *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, Op. Cit., p. 53–54. ⁵⁴ *Attorney-General v Punch Ltd*, Op. Cit., p. 45, 76; *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, Op. Cit., p. 36–38.

⁴⁸ *Fiona Trust & Holding Corporation v Privalov*, Op. Cit.; *Helice Leasing S.A.S. v PT Garuda Indonesia (Persero) Tbk*, Op. Cit., p. 76–78.

Lastly, despite these differences, both decisions show the English courts' strong respect for party autonomy and contractual interpretation in international commercial transactions. Here in the FWA case, the court strictly followed the wording of the injunction agreed by the parties and refused to extend it beyond its express terms.⁴⁹ While in the Helice case, the court respected the parties' choice of English law and LCIA arbitration by interpreting the lease agreement to preserve under the arbitration process.⁵⁰

IV. CONCLUSION

The courts responded to defaults in cross-border aircraft leasing disputes by enforcing the contractual rights and obligations agreed upon by the parties and by applying established principles of international commercial law. Although these disputes involved parties from different countries and complex commercial circumstances, the courts remained focused on the terms of the lease agreements and the legal rights arising from them. In both cases, the courts upheld contractual certainty by holding the lessees responsible for breaches of their payment and other contractual obligations, while ensuring that the disputes were resolved through fair legal procedures. Therefore, the court balanced the protection of the lessors' commercial interests with the requirements of due process, jurisdiction, and procedural fairness. As a result, defaults in cross-border aircraft leasing disputes were addressed through the enforcement of contractual remedies and proper judicial oversight, rather than by departing from established legal principles.

The two cases demonstrate different judicial approaches depending on the legal issue before the court. In the FW case, the court took a strict approach to contempt of court, holding that liability arose only where there was a clear breach of the express terms of the injunction, rather than from conduct that merely undermined its underlying purpose or spirit. The court prioritised legal certainty and procedural fairness by declining to extend the scope of contempt beyond what the order plainly required. The Helice Leasing case, by contrast, saw the court take a broad and purposive approach to procedural matters, particularly in interpreting the dispute resolution clause. Applying the principles established in *Fiona Trust case*, the court construed the lease agreement as maintaining a comprehensive arbitration framework and consequently stayed the court proceedings in favour of arbitration.

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⁴⁹ *FW Aviation (Holdings) 1 Ltd v VietJet Aviation Joint Stock Company*, Op. Cit., p. 54 (Lord Justice Males): the law of criminal contempt cannot be invoked in order to extend the scope of the injunction beyond its terms; See also *Ibid.*, p. 36–38.

⁵⁰ *Helice Leasing S.A.S. v PT Garuda Indonesia (Persero) Tbk*, Op. Cit., p. 65–82.

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