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A Practical Guide Series to Business Jet Financing in APAC

Edition 3: Are You Actually Financing-Ready?

Why Does Aircraft Financing Take Longer Than Expected — Even For Wealthy Owners?

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Aircraft financing delays are often attributed to pricing negotiations or lender responsiveness. In practice, most delays arise much earlier, driven by preparation gaps, unresolved structural decisions and misaligned expectations.

This edition focuses on financing readiness — what aircraft owners should have clearly defined and aligned before engaging financiers and why these factors largely determine timelines and execution outcomes.

I. Financing Readiness Is Not The Same As Choosing A Financier

Many aircraft owners approach financiers with an aircraft selected and a financing request in mind, but without having resolved several foundational questions in advance.

In practice, financing outcomes are shaped less by the aircraft itself and more by:

- How ownership and borrowing structures are set up
- Where credit and execution risk sit

- How clearly the owner's objectives and constraints are articulated

Financing readiness therefore determines not just **whether** financing is available, but how **many viable options remain open** once the process begins.

II. Be Realistic About Information Requirements

A common misconception is that financing delays stem from insufficient wealth. In reality, delays most often arise from verification, not net worth.

Financiers are required to establish a clear, consistent and verifiable understanding of:

- **Who** ultimately owns and controls the relevant entities
- **How** wealth was generated and accumulated
- How financing obligations will be **supported on an ongoing basis**

Where an ultimate beneficial owner's profile is not readily verifiable through public information, due diligence inevitably becomes more detailed and timelines typically extend.

Corporate entities vs natural persons

Information expectations vary depending on the guarantee structure used and whether support is provided at the corporate or personal level.

For corporate entities (SPVs, operating companies and family offices acting as borrowers or guarantors), financiers typically require:

- Constitutional and registration documents
- Up-to-date ownership and control charts
- Financial information to assess ongoing supportability, typically 3 years of audited financial statements and the latest available management accounts

Where financials are unaudited, incomplete or unavailable,

additional diligence and follow-up questions are common. In some cases, the absence of audited financial statements may mean that the financing cannot proceed, regardless of the owner's overall wealth.

Where shareholders are themselves corporate entities, information is usually required through the ownership chain until the ultimate beneficial owner can be traced to a natural person, trust, foundation, or government entity.

Where a family office structure is used, financiers will typically still require transparency on the underlying principals and may assess both entity-level and individual-level supportability.

For natural persons (UBOs or personal guarantors), financiers typically focus on more than headline net worth. In practice, they often require:

- Identity and address verification
- Supporting financial information to substantiate source of wealth and overall net worth, and
- Evidence of liquidity and recurring cash flows sufficient to support aircraft financing payments, operating costs, maintenance obligations and personal expenditure on an ongoing basis

Owner takeaway: Financing timelines improve materially when owners anticipate these requirements and provide information proactively rather than incrementally.

III. The Financing Process: Why Time Is Built In

Even where commercial terms are quickly agreed, most aircraft financings follow a structured process:

1. **Indicative term sheets** establish high-level economics and structural terms, which are often negotiated
2. **Internal approvals** then follow, with financiers preparing credit or investment memoranda for internal committees. As part of this process, additional information is often requested to clarify financial performance, existing obligations and the sustainability of support over time
3. **Documentation** is subsequently negotiated

between two sets of lawyers, reflecting the agreed commercial terms

4. **Conditions precedent** must be satisfied before drawdown

Delays most commonly occur when information gaps or late changes require approvals, documentation or due diligence to be revisited.

Owner takeaway: Agreeing headline terms quickly does not shorten timelines if preparation is incomplete.

IV. Common Owner-Driven Delays

Across APAC transactions, several recurring friction points tend to extend timelines:

- **Unclear guarantee strategy:** Where owners have not decided upfront whether guarantees will be personal, corporate or group-based, financing discussions often pause while expectations are reset
- **Untimely or inconsistent information:** Approval processes rely on momentum. Delays in responding to information requests frequently result in approvals expiring or legal drafting stalling
- **Late structural changes:** Changes to ownership, guarantors or funding structures mid-process almost always ripple through approvals, documentation and conditions precedent

Owner takeaway: Financing should be approached as a coordinated workstream, not an administrative afterthought.

V. Operator, Registry, Insurance and Maintenance Alignment

Financiers assess aircraft risk holistically, including how the aircraft will be:

- Operated
- Registered
- Insured and
- Maintained over time
- What **maintenance programmes** are in place to manage long-term technical and cost exposure

Misalignment across these elements is a frequent source of delay. Owners should expect financiers to ask early:

- Who the **aircraft operator or manager** will be, whether it is acceptable to the financier. An operator assessment may be required where the operator is less familiar or relatively new
- Which **registry** will be used and whether aircraft-related security interests can be properly reflected and enforced
- Whether **insurance arrangements** can meet required standards and endorsements and

Financiers typically expect visibility on engine and APU maintenance programmes, as engine-related events represent one of the most material maintenance cost risks.

Where maintenance programmes are not manufacturer-backed, additional review is often required to assess coverage scope, transferability and long-term cost predictability.

In the case of refinancings or certain pre-owned aircraft, financiers may also require an aircraft inspection or technical review, which should be factored into expected timelines.

Owner takeaway: Operator, registry and insurance choices should be treated as a single decision set, not addressed independently.

VI. Pre-Owned Aircraft: Title And Ownership History

For pre-owned aircraft, financiers typically require comfort that:

- The aircraft title is clean and
- Prior interests have been properly discharged.

Where aircraft ownership histories are complex, or where documentation is incomplete, additional time

may be needed to establish a “back-to-birth” ownership and title trail.

Owner takeaway: Assembling title and ownership documentation early can prevent last-minute delays.

VII. Documentation And Advisers: Why Experience Matters

Once financing proceeds to documentation, timelines largely depend on:

- How quickly owners can instruct counsel
- Whether counsel is familiar with business aircraft financing transactions, including cross-border structures

Aircraft financings frequently involve **multiple jurisdictions**, for example:

- The lessee or ownership SPV,
- One or more guarantors and
- The aircraft registry and governing law of the financing documents.

Where advisers are unfamiliar with relevant jurisdictions, documentation timelines can extend materially.

In practice, this may arise where, for example, corporate guarantees require specific approvals, filings or processes under local law, or where capital controls or currency regulations affect the timing or mechanics of funding and repayment.

Coordinating legal documentation and opinions across jurisdictions requires both local knowledge and aircraft-specific experience.

Engaging lawyers who regularly handle aircraft financings helps reduce iterations, align expectations between parties and avoid late-stage issues that can stall closing.

Owner takeaway: Specialist advisers pay for themselves through speed, predictability and fewer last-minute surprises.

VIII. Key Takeaways For Aircraft Owners

Financing readiness is not a checklist exercise, but a framing exercise. Before approaching financiers, aircraft owners should be clear on:

- **Ownership and borrowing structures** and whether the proposed structure can be readily verified and supported
- The **quality and availability of information** they can provide promptly, including financials, source of wealth and ongoing cash-flow support
- **Realistic expectations** around process and timing, recognising that internal approvals and documentation involve multiple steps and jurisdictions and
- **Aircraft-related alignment**, including operator acceptability, registry choice, insurance arrangements, maintenance programmes and any inspection or assessment requirements

Owners who engage financiers with these issues resolved are far more likely to achieve efficient execution, predictable timelines, and durable financing outcomes.

Series Introduction

A Practical Guide to Business Jet Financing in APAC

Business jet ownership in Asia-Pacific presents unique financing, regulatory and operational challenges.

This white paper series is designed to provide aircraft owners, family offices and corporate decision-makers with a practical and grounded overview of how aircraft financing works in the region and where risks most commonly arise.

Each edition addresses a distinct aspect of the aircraft lifecycle, from financing structures and regulatory requirements to buying, selling, operating and exiting an aircraft investment.

This series will be released in editions over the coming months.

Stay with the series through the end, where we look at planning clean exits and clearly defined end-of-term obligations from the outset.

Other Editions in This Series

Edition 1 — How Business Jets Are Financed in APAC

An overview of core financing structures, risk allocation and regulatory realities shaping aircraft financing in the region.

Edition 2 — Choosing the Right Financier: Bank or Non-Bank

An aircraft owner's decision framework: How financing exposure and outcomes vary by financier type.

Next Edition 4 — What Am I Really Committing To?

Understanding the guarantees and continuing obligations inherent in aircraft financings.

View other Editions in this series on our website lendicate-group.com.

For enquiries about the series or financing-related matters, please contact info@lendicate-group.com.