

**TRADE AND AGRICULTURE DIRECTORATE
PARTICIPANTS TO THE ARRANGEMENT ON OFFICIALLY SUPPORTED
EXPORT CREDITS**

Group on the Sector Understanding for Civil Aircraft

**NEW ASU TEXT RELATING TO MAINTENANCE, REPAIR, AND
OVERHAUL (MRO) CONTRACTS**

This document contains the new ASU text on Maintenance, Repair, and Overhaul (MRO) contracts as agreed by ASU Participants as of 2 April 2025. These new disciplines are applicable as of 2 April 2025 and will be incorporated in the next version of the Arrangement.

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NEW ASU TEXT RELATING TO MRO CONTRACTS

I. Introduction

1. This document contains, in Annex I, the new ASU text relating to Maintenance, Repair, and Overhaul (MRO) contracts as agreed by ASU Participants on 2 April 2025.
2. These new disciplines are effective as of 2 April 2025. They will be incorporated into the next version of the Arrangement; however, in the meantime they are published on the OECD website to ensure that all Participants and non-Participants can apply them.

ANNEX I

PART 3: USED AIRCRAFT, SPARE ENGINES, SPARE PARTS, MAINTENANCE AND SERVICE CONTRACTS

CHAPTER I: COVERAGE

18. USED AIRCRAFT AND OTHER GOODS AND SERVICES

This Part of the Sector Understanding shall apply to used aircraft and to spare engines¹, spare parts, conversion, major modification, refurbishing, maintenance and service contracts in conjunction with both new and used aircraft and engine kits.

CHAPTER II: FINANCIAL TERMS AND CONDITIONS

The financial terms and conditions to be applied used aircraft and to spare engines², other than the maximum repayment term, shall be in accordance with the provisions set out in Part 2 of this Sector Understanding.

It is customary to finance goods and services other than new aircraft, used aircraft and new engines with loans that will cover an extended period of contract performance. Therefore, the financial terms and conditions to be applied for other goods and services covered by this Sector Understanding shall be in accordance with the provisions set out in Part 2 of this Sector Understanding, except as set out in Article 22 below.

19. SALE OF USED AIRCRAFT

- a) Subject to paragraph b) below, the maximum repayment term for used aircraft shall be established in accordance with the age of the aircraft, as set out in the following table:

¹ Reference to spare engines in this Chapter I shall be deemed to include references to spare propulsors.

² Reference to spare engines in this Chapter II shall be deemed to include references to spare propulsors.

Age of aircraft (years since the date of original manufacture)	Maximum repayment terms for asset-backed or sovereign transactions (years)	Maximum repayment terms for transactions neither asset-backed nor sovereign (years)
1	10	8.5
2	9	7.5
3	8	6.5
4	7	6
5 – 8	6	5.5
Over 8	5	5

- b) The maximum repayment term for aircraft that have undergone conversion, provided the transaction meets all the requirements of Article 19 of Appendix II and provided further that official support, if any, provided in respect of such conversion was not provided in accordance with Article 21 a) below, shall be established in accordance with the period of time since the date of conversion and the age of the aircraft, as set out in the following table:

Maximum repayment terms for asset-backed converted aircraft (years)

Period of time since the date of conversion (years)	Age of aircraft (years since the date of original manufacture)					
	1	2	3	4	5-8	Over 8
0 (Newly converted)	10	9	8	8	8	8
1	10	9	8	7	7	7
2	-----	9	8	7	6	6
3 or more	-----	-----	8	7	6	5

20. SPARE ENGINES

- a) When purchased or ordered in connection with the engines to be installed on a new aircraft, the official support for spare engines may be provided on the same terms and conditions as for the aircraft.
- b) When spare engines are not purchased with a new aircraft, the maximum repayment term shall be eight years. For spare engines with a unit value of USD 10 million or more, the repayment term may be increased to 10 years, provided the transaction meets all the requirements of Article 19 of Appendix II.

21. CONTRACTS FOR CONVERSION/MAJOR MODIFICATION/ REFURBISHING

- a) If a transaction for conversion:
- 1) is valued at USD 5 million or more, and
 - meets all the requirements of Article 19 of Appendix II, a Participant may offer official support with a repayment term of up to eight years.
 - does not meet all the requirements of Article 19 of Appendix II, a Participant may offer official support with a repayment term of up to five years.
 - 2) is valued at less than USD 5 million, a Participant may offer official support with a repayment term of up to two years.

- b) If a transaction is for a major modification, or refurbishment, a Participant may offer official support with a repayment term of up to:
- 1) five years if the contract value is USD 5 million or more; and
 - 2) two years, if the contract value is less than USD 5 million.

22. MAINTENANCE AND SERVICE CONTRACTS³, SPARE PARTS (OTHER THAN ENGINES) AND ENGINE KITS

- a) Except for Article 22 b) below, the Participants may offer official support with a repayment term of up to five years after the starting point of credit if the contract value is USD 5 million or more, or two years if the contract value is less than USD 5 million.
- b) When purchased with new aircraft, the official support for spare parts may be provided on the same terms and conditions as for the aircraft up to a maximum 5% of the net price of the new aircraft and installed engines. Article 22 a) shall apply to official support for spare parts in excess of the maximum 5% limit.
- c) The Participants shall:
- 1) require a minimum down payment of 15% of the net price of the spare parts, the engine kits or maintenance and service contracts receiving support at or before the starting point of credit;
 - 2) not provide official support in excess of 85% of the value of the net price of the spare parts, the engine kits or maintenance and service contracts receiving support.
- d) ASU MPR rules will apply as set out in APPENDIX II, SECTION 3: Minimum Premium Rates For Goods And Services Other Than Used Aircraft Covered By Part 3 Of This Sector Understanding.

Appendix V. List of Definitions

[...]

Starting Point of Credit: For:

- the sale of aircraft including helicopters and spare engines at the latest the actual date when the buyer takes physical possession of the goods, or the weighted mean date when the buyer takes possession of the goods
- maintenance and services contracts⁴, spare parts (other than engines) and engine kits, in the case of:
 - i) parts, spare parts or other physical goods: the starting point of credit is not later than the actual date of acceptance of the goods or the weighted mean date of acceptance of the goods by the buyer; or

³ For the avoidance of doubt, Maintenance and Service Contracts shall include Maintenance, Repair and Overhaul contracts.

⁴ For the avoidance of doubt, Maintenance and Service Contracts shall include Maintenance, Repair and Overhaul contracts.

- ii) for services contracts where no parts, spare parts or other physical goods are being supported:
 - a) the date of the submission of the invoices to the buyer or acceptance of services by the buyer, or b) the weighted mean date of the submission of the invoices to the buyer or the weighted mean date of acceptance of services by the buyer, or
- iii) parts, spare parts or other physical goods and services where financed in the same transaction: the starting point of credit is the later of a) the actual date of acceptance of the goods or the weighted mean date of acceptance of the goods, or b) the actual date of the submission of the invoices to the buyer or actual date of acceptance of services by the buyer or the weighted mean date of the submission of the invoices to the buyer or the weighted mean date of acceptance of services by the buyer.

Where the actual date of acceptance or the weighted mean date of acceptance cannot be defined upfront due to the nature of the goods or services, the starting point of credit may be determined using a reasonable estimate of the relevant date or weighted mean date.