

Conversion – Airliner to Bizjet

Queen Elizabeth II began her landmark state visit to the Republic of Ireland, on 17 May 2011, aboard a British Aerospace BAe146 registered G-RAJJ. The aircraft, based in Birmingham with Cello Aviation, began life as a commercial airliner with United Express and, latterly, Air France (CityJet) before being converted for VIP/corporate use.



It is one of many older aircraft finding newly profitable employment in an executive role. The phenomenon is not a new one – the number of earlier generation jets remaining in service is considerable. Converted Boeing 727, 737, 757, DC9/MD80, and even 707 and DC8 aircraft, join new generation Airbus and Boeing models. Visitors to recent air shows will have seen aircraft as diverse as the Boeing 737 classic, Airbus A319, Dornier 328 and Canadair Regional Jet aimed at new customers in the corporate market.

Purchase of converted airliners offers a number of advantages. There is no shortage of commercial aircraft withdrawn from service with relatively low hours and cycles. The purchase cost represents a considerable saving over buying a new aircraft. Additionally, lengthy waiting lists and distant

delivery positions for new aircraft are easily avoided. The actual conversion process can be handled by a number of specialist companies, experts in particular models who can deliver bespoke interiors to customer specification. Ramps in Fort Worth, Montreal, Hamburg, Basel and Southend amongst many others are often littered with aircraft being readied for their new roles.



Assuming that the aircraft is to be used by the owner on a private – non-commercial – basis, registration and ownership options widen considerably. Offshore registries in Aruba, Bermuda and the Cayman Islands have found a ready home for former airliners. It is also no coincidence that the Isle of Man registry, limited to private aircraft boasts 727, 737 and Airbus conversions alongside a whole host of smaller aircraft.

Pieces of Eight?

On 18 July 2012, Gulfstream announced that it was rebranding its G250 aircraft as the G280. Cultural sensitivities and the desire to appeal to the Chinese market lie behind this simple change. Some experts have suggested that a less than polite translation of “250” into Mandarin is behind the rebrand. The real power however lies in the number “8”. The number is viewed in China as lucky or auspicious and according to the manufacturer; G280 represents a more appealing label. There are precedents; it is no coincidence that the base models of the Boeing 787 and the Airbus A380 are both -800. The popularity of US ‘N888xx’ registrations is also compelling.

RANA SERVICE CENTRE:

Corporate Ownership

Aircraft can be registered in the name of an individual owner, but the carefully planned use of a company structure – or special purpose vehicle (SPV) – can provide a number of distinct advantages.

Access to corporate limited liability and enhanced levels of confidentiality are the most obvious, but a company structure may provide other significant potential benefits in respect of inheritance tax and succession issues, as well as simplifying any future sale of the asset resulting in reduction of costs.

RANA's Sovereign colleagues are well placed to provide advice on the correct corporate structure to use and can establish such entities in all major finance centres worldwide, as the individual case demands.

Isle of Man: The International Aviation Centre Conference

Douglas, the capital city of the Isle of Man, played host to the first conference designed to showcase the island's commitment to aviation on 12 July 2012. RANA's specialist aviation team joined colleagues from Sovereign's Isle of Man office and over 140 other delegates from around the world in the Villa Marina conference centre.

The meeting was opened by Alan Bell, Minister of Economic Development, who highlighted the government's commitment to attracting aviation business to the island, a theme repeated frequently during the proceedings. The Minister stressed that the island is "Open for Business" at all levels of government.

Unsurprisingly, the outstanding success of the Isle of Man aircraft register since its establishment in 2007 saw many corporate service providers among first time visitors to the island. In his keynote presentation, Brian Johnson, the outgoing Director of Civil Aviation stressed the register's advantages over its rivals and laid out a

plan for continued expansion aiming to soon overtake the UK in terms of size. By the end of 2012 Brian estimated that the register would be host to 570 corporate jets, turboprops and helicopters.

The range of presentations was wide ranging and at times eclectic – "the Isle of Man in Space"; a review of the island's tax system; temporary registration of dormant commercial airliners; aviation insurance solutions; customs and VAT; an insight from the airport director; aircraft registration in practice; and industry perspectives from high profile representatives from both Airbus Corporate Jets and Dassault Aviation.

Corporate Aircraft News

On 7 July 2012, the European Aviation Safety Agency lifted a directive grounding **Dassault** Falcon 7X aircraft worldwide following a runway pitch trim incident affecting an aircraft on approach to Kuala Lumpur in late May. It is understood that the manufacturer has solved the problem with the horizontal stabilizer control unit.

Embraer reached a significant milestone in the Legacy 500 programme when it joined the fuselage on the prototype aircraft in mid-July. The new version of the Legacy is due to fly later this year. In other news, the company has received a Memorandum of Understanding

(MOU) for 20 corporate aircraft including versions of the Legacy from Chinese Minsheng Financial Leasing. Within a week, Minsheng had also signed a further MOU with **Gulfstream**. Although details were not made public, it was widely reported that the order included up to 50 aircraft.

AIRCRAFT FACT FILE:

Global Express XRS



CATEGORY:

Large Size Jet

MANUFACTURER:

Bombardier, Canada

ENGINES:

2× Rolls Royce Deutschland BR710A2-20 turbofans

LENGTH:

30.3 m

WINGSPAN:

28.6 m

RANGE:

11,390 km

MAX. SPEED:

850 kmh

SEATING CAPACITY:

19

NO. OF CREW:

2+2

MAXIMUM TAKE-OFF WEIGHT (MTOW):

44,452 kg

DESCRIPTION:

The Global Express XRS is Bombardier's flagship corporate aircraft currently in production. The XRS, an improved version of the original Global Express launched in 1993, entered service with customers in late 2005. The aircraft offers enhanced range, speed and cabin comfort over the original design and has set the benchmark for ultra long range capability and high performance.

Bombardier announced in 2011 that the XRS would be rebranded as the Global 6000 when coupled with the new Global Vision flight deck from next year. The aircraft will be joined by two new generation versions when the Global 7000 enters service in 2016 and the Global 8000 a year later.