

UK Air Passenger Duty

The UK Chancellor confirmed, in his Autumn Statement on 29 November 2011, that Air Passenger Duty (APD) is to be extended to cover users of business aircraft. As we reported in April last year, the government had established a consultancy process in advance of widening the scope of the tax. Implementation of the new APD will take effect from April 2013 and will apply to flights made by aircraft and helicopters with a maximum take-off weight (MTOW) in excess of 5,700kg. Passengers travelling on aircraft with an MTOW between 5,700 and 20,000kg will be subject to the same charge as commercial airline passengers based upon distance flown. Above this weight, the same basis will apply, although the tax charge will be doubled – a potential charge of up to £368 per passenger.

Italian Corporate Jet Super Tax

The new Italian government of Prime Minister Mario Monti announced in mid-December that it plans to introduce a tax on corporate jets and helicopters. The new 'Super Tax' will apply to all Italian-registered private corporate jets and helicopters along with any non-Italian registered aircraft that have been in the country for more than 48 consecutive hours. The tax will not apply to aircraft operated for "hire and reward" – operated for payment by a third party.

The new tax on fixed wing aircraft will be assessed on the basis of the model's MTOW. The new levy on helicopters will be double that applied to aircraft. By way of example, the



owner of a Cessna CitationJet CJ3 (MTOW 6,291kg) looks set to be charged 41,835 pa, while a Challenger 605 (MTOW 21,863kg) would face a levy of 165,000 pa. An AW139 helicopter would incur a bill of 85,100 pa.

Understandably the announcement of these plans has sent shockwaves through the Italian corporate aircraft sector. We await developments with interest.

MEBA 2012

With a year to go until the fifth biennial Middle East Business Aviation exhibition (MEBA), it has been confirmed that the show will be moving venues. Previously hosted on the Airport Expo site at Dubai International Airport, MEBA 2012 will be held at Al Maktoum International Airport in the Dubai World Central development from 11 to 13 December.

London Oxford Airport

Following our report in May last year, the owners of London Oxford Airport have announced a substantial increase in business aviation traffic for the year. In 2011 it posted an increase of 12.2% over 2010. With this surge in corporate movements, Oxford is now ranked as the UK's fifth busiest business airport, moving above London Stansted.

RANA SERVICE CENTRE:

The Five Pillars

At the start of a new year, we thought it would be a good opportunity to summarise the five principal areas in which RANA and the wider Sovereign Group can assist aviation clients:

- Aircraft registration in jurisdictions worldwide from Europe to the Caribbean and the US;
- Sovereign has over 20-years of experience in providing ownership structures for all categories of assets, including aircraft and helicopters;
- Competitive quotations for aviation insurance through our dedicated team with access to underwriters at Lloyd's of London;
- Although the economic climate remains difficult, we have well-established links with potential sources of funding for aviation transactions;
- And finally, we offer a tailored consultancy service to the corporate and commercial aviation sectors.



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The Year Ahead...

2012 looks set to be full of notable landmarks and challenges for the corporate aviation business. In the UK and beyond, the stream of additional movements for the Diamond Jubilee in June and the London Olympic and Paralympic Games through July to September will be a logistical headache for airport operators, FBOs and many others. The annual World Economic Forum meeting in Davos in January will also test the capabilities of airports across central Europe.

In terms of general air shows, 2012 is a Farnborough year, with the industry's manufacturers displaying their wares from 9 to 15 July. For the corporate market, a good barometer of the burgeoning Chinese appetite will see the return of ABACE to Shanghai from 27 to 29 March. EBACE will test the European sector in Geneva from 14 to 16 May, while the US will be on show at the NBAA annual convention, which returns to Orlando from 30 October to 1 November. Finally, in the Middle East, MEBA will run from 11 to 13 December.



In terms of aircraft projects, the second quarter of the year should see the first deliveries of the flagship Gulfstream G650, while the first flight of the Embraer Legacy 500 will follow later. The year should also see continued strength for the successful Isle of Man registry along with a final decision on the establishment of a Channel Islands register.

Corporate Aircraft News

On 23 December 2011, **Embraer** rolled out the prototype of the latest member of its family of corporate jets. The first flight of the Legacy 500 is expected during the third quarter of 2012. The totally new design will offer accommodation for between eight and 10 passengers. In other news, the Brazilian manufacturer opened its Global Customer Care Centre at its plant in Melbourne, Florida. The new centre will serve clients purchasing the full range of Embraer corporate jets and is adjacent to the company's US production facility for the Phenom 100 and 300 models.

With imminent service entry of the new G280, **Gulfstream** recently rolled out the final (and 250th) example of its predecessor, the G200.

The team at RegisterAnAircraft.com and The Sovereign Group would like to send all 'Airborne' readers our best wishes for 2012

AIRCRAFT FACT FILE:

AgustaWestland AW139



CATEGORY:

Helicopter

MANUFACTURER:

AgustaWestland (Italy/UK)

ENGINES:

2xPratt & Whitney PT6C-67C turbo shaft

LENGTH:

16.66 m

WINGSPAN:

n/a

RANGE:

1,250 km

MAX. SPEED:

311 kmh

SEATING CAPACITY:

Up to 15

NO. OF CREW:

2

MAXIMUM TAKE-OFF WEIGHT (MTOW):

6,400 kg

DESCRIPTION:

Italian manufacturer Agusta and the US company Bell Helicopters originally designed this twin engine medium-size helicopter under their joint venture as the AB139. The prototype first flew on 3 February 2001, with the initial production aircraft in June 2002. The aircraft received Italian certification a year later with first deliveries to customers following shortly thereafter. Re-designated as the AW139 following the closure of the link with Bell Helicopters, the AW139 has proved popular with both commercial and military operators.

The multi-role capability of the design has ensured a healthy order book. In recent years the helicopter has become popular as a corporate aircraft operated in the VIP transport role by both companies and governments.