

The monthly newsletter of RegisterAnAircraft.com – the Aviation Division of The Sovereign Group

More Maltese Falcons?

As this issue of *Airborne* is published, Malta is playing host to a corporate aviation summit. The one-day Mediterranean Business Aviation conference will focus attention on the advantages of the island for owners and operators of corporate aircraft. As we reported at the time, the Maltese parliament passed a new Aircraft Registration Act in October 2010 designed to attract private aircraft to the island by simplifying the registration process.

At the “Flying the Flag of Confidence” conference in London just after this Act became law, Malta’s Minister of Transport Dr. Justin Gatt noted that Malta was “not in a numbers game”. He went on to add that the island was aiming for quality rather than quantity of registrations.



This has certainly been borne out by the numbers registered subsequently. In September 2010 the Maltese register contained 87 aircraft, of which 16 were corporate jets. The register published on 20 August this year shows a total of 111 aircraft, of which 26 are private jets. Compared to jurisdictions such as the Isle of Man, these figures are disappointing. They do not however tell the full story.

In September 2010, the 16

registered corporate jets were listed against just six operators. Currently, there are 12, with further applications pending. Unlike most offshore registries, Malta will allow aircraft to be registered under an AOC (aircraft operator’s certificate) and therefore be available for hire and reward to third parties. Malta is a full member of EASA and promotes the highest standards of oversight and regulation along with an existing sophisticated aviation infrastructure.

In April 2011, Malta signed the 2001 Cape Town Convention on International Interests in Mobile Equipment – one of only three countries in the EU to have done so – which provides additional security to lenders. The island’s favourable tax regime and VAT rules, particularly for lessors, are additional selling points. All these factors combine to make Malta and Maltese registration an attractive option for owners and operators.

Successful LABACE

LABACE 2012, the ninth annual Latin American Business Aviation Conference and Exhibition, was held over three days at São Paulo’s downtown Congonhas Airport in mid-August. This year’s event was record breaking. The static display, featuring 75 aircraft, included a debut appearance by the home grown Embraer Lineage 1000 and the first showing of a Bombardier Global 6000 with the Vision Flight Deck. The total of 16,722 visitors and 170 exhibitors exceeded last year’s figures.

Among the announcements was the launch of Brazil’s first two fractional ownership programmes and updates on regulatory approval for the construction of private aviation airports to cater for the expanding corporate sector. In addition, major manufacturers including Gulfstream and the troubled Hawker Beechcraft were out in force aiming to capture a slice of this huge market.

RANA SERVICE CENTRE:

The Sovereign Group

Sovereign’s core business is setting up and managing companies, trusts and other structures to meet the specific personal or business needs of our clients. Typically these needs would include tax planning, wealth protection, property ownership and facilitating cross border business. We have also developed a wide range of supporting services such as wealth management, yacht and aircraft registration, credit cards, fund formation, pension services, residence and citizenship, as well as trademark and intellectual property registration and protection. The first Sovereign office opened in Gibraltar in 1987 and we now have offices or agents in all the major international finance centres providing a global service from a local point of delivery.



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Olympic Traffic Disappointing?

Initial figures for corporate aircraft traffic during the London Olympic Games period have been published. According to PrivateFly.com, private jet traffic was 25% lower than predicted levels. In the September 2011 *Airborne* we quoted a figure of 3,000 additional corporate aircraft flights planned to operate into the 30 designated UK airports during the Games. Clearly, this figure was not reached and many facilities reported spare capacity even around the peak Olympic opening and closing ceremonies.

The picture is not all gloom however – slot restrictions worked well, FBOs were under pressure but coped well with strong demand for charter business (much of it outbound from the UK) and there were no serious security disruptions. Indeed some airports reported impressive figures – London Oxford Airport posted a 180% increase in large aircraft movements compared to the same period in 2011.

The Hawker Beechcraft Saga Continues

In a submission to the US Bankruptcy Court in New York on 30 August, Hawker Beechcraft requested a 120-day extension to the exclusive period during which only the firm can file a reorganisation plan for creditors. This extension was granted and the manufacturer therefore has until 27 February to seek acceptance of its plans. While doing so, it continues to negotiate with China's Superior Aviation, which as we reported last month has tabled a bid of \$1.79 billion for the troubled aircraft manufacturer.

However the company received negative publicity when a Bankruptcy Court judge turned down its request to pay a total of \$5.3 million in bonuses to eight senior executives.

Corporate Aircraft News

In a headline stealing announcement at LABACE, **Cessna** confirmed that its new Citation Ten will be the world's fastest corporate jet when it completes certification in mid-2013. The aircraft's top speed of mach 0.935 beats the Gulfstream G650's claimed measure of 0.925. The aircraft's planned range has also been increased owing to new power plant and the addition of winglets. Cessna has also increased the range of its new Citation Latitude to 2,500 nautical miles (4,630 km).

Gulfstream's new flagship the G650 received full type certification from the FAA on 07 September. This followed hot on the heels of full approval being granted by the FAA and Israeli CAA to the G280 just three days earlier.

The first **Nextant** 400XT has been delivered to a European customer in the Czech Republic. At the same time, the company announced a major order for 10 aircraft from Singapore-based Asia Pacific Jets.

AIRCRAFT FACT FILE:

Bombardier Challenger 850



CATEGORY:

Large Size Jet

MANUFACTURER:

Bombardier, Canada

ENGINES:

2x General Electric CF34-3B1 turbofans

LENGTH:

26.77 m

WINGSPAN:

21.21 m

RANGE:

5,206 km

MAX. SPEED:

850 kmh

SEATING CAPACITY:

Up to 14, typically 8

NO. OF CREW:

2

MAXIMUM TAKE-OFF WEIGHT (MTOW):

24,040 kg

DESCRIPTION:

The Challenger 850 is essentially the corporate version of a market proven commercial airliner – the Canadair Regional Jet CRJ200. The CRJ200 itself owes many of its design features to the Challenger 601 corporate jet. The success of the programme lies in both the availability of secondhand airframes for conversion and the size of the cabin, which is comparable to the sistership Global Express XRS but at a considerably lower cost.

Bombardier no longer produces the CRJ200 owing to a decline in popularity of smaller regional jets (seating around 50 passengers), so the transition to corporate use has provided the manufacturer with a new and lucrative revenue stream. According to Bombardier, the aircraft “continues the Challenger tradition of steadfast performance by merging jet efficiency with airline endurance and reliability.”