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Guernsey register enabled for commercial ops.

The Channel Islands Aircraft Registry branded as “2-REG” is now permitted to issue air operator certificates (AOCs) allowing commercial operations by Guernsey-registered aircraft. This represents a major change for the registry, which previously only allowed aircraft to be used on a private and corporate basis. The proposal to provide for the issue of AOCs was first approved in principal by the island’s parliament – The States – last December and the legislation was passed in early March. The changes are enshrined in The Air Navigation (Bailiwick of Guernsey) Amendment Ordinance 2016 and The Aviation Registry (Guernsey) (Amendment) Ordinance 2016. Guernsey’s Director of Civil Aviation, Gus Paterson, said: “We will bring to market an innovative and focused AOC that sets high safety and operational standards and is built upon our unique commercial philosophy.”

Guernsey registers 100th aircraft

In a further major landmark for Guernsey, 2-REG added its 100th aircraft on 17 March. As we have reported previously, the registry has been very successful in tapping into the market for registering dormant commercial airliners – acting as a “safe haven” in between operational leases. The 100th aircraft was another example – a previously Chinese-registered Boeing 737 that has already been de-registered for export to the US where it will be joining the huge fleet of Dallas-based Southwest Airlines. Registration of these dormant airliners represents roughly 60% of the aircraft added by 2-REG. The registry has seen limited numbers of corporate jets with a total of five aircraft currently under 2- marks. Expectation is high however that this figure will increase with the introduction of AOCs under the new legislation aimed at attracting commercial operators to register in Guernsey.

London Biggin Hill traffic soaring

London Biggin Hill Airport reported a 23% increase in commercial business aviation in 2015. Located in the Borough of Bromley, just 12 miles from the centre of the city, it is the only facility in the Greater London area dedicated to business aviation. The former Battle of Britain air station, which became a civil airport in the 1960s following the closure of Croydon Airport, claims to offer low operating costs and also benefits from having no operating slot restrictions. The airport is proving increasingly popular with operators of larger cabin aircraft according to Business Aviation INSIGHT published by data specialist WingX Advance. The facility has also benefited from the introduction in late 2014 of the London Heli-Shuttle, which connects to the London Heliport in Battersea. This connection is promoted as offering a substantial time saving over ground transfers into the city. The new service was used some 650 times in its first year of operation.

Ryanair adds corporate charters

Irish low-cost airline Ryanair surprised industry commentators by announcing in mid-March that it is to enter the high-end private charter market. The Dublin-based airline has reconfigured a single Boeing 737-700 (registration EI-SEV) with a 60-seat “business class” interior. Previously the aircraft was employed for crew training and as a back-up to the company’s huge fleet of 737-800 aircraft on its European network. The aircraft offers a 2x2 configuration with a 48-inch seat pitch. Its range will allow it to travel six hours non-stop and it will be targeting the sports team and corporate market.

VistaJet moves global HQ to Malta

Rapidly expanding VIP charter specialist VistaJet has confirmed that it is to move its global headquarters from London to Malta. The operator currently has some 51 aircraft on the Maltese register – a mix of Challenger 350, 604 and 850 and Global XRS, 5000 and 6000 models. It opened an operations centre in Malta in mid-2013. As we reported last month, the company reported a 23% increase in passenger numbers in 2015. It has also recently established operations in both China and the US. Thomas Flohr, the company’s founder and chairman, said: “Malta is a fantastic place to do business. Its aviation industry is flourishing, as part of the EU it has access to the European common market, and it has a government that not only supports business, but works with and encourages companies like ours to grow and develop.”

Jet Aviation acquires AvJet

Zürich-based charter and management specialist Jet Aviation announced on 8 March that it has agreed to purchase Los Angeles-based competitor Avjet for an undisclosed sum. The takeover of Avjet further demonstrates Jet Aviation’s strategy of growing its operations on the US west coast. It recently received authorisation to establish an FBO at Van Nuys Airport. Avjet currently manages a fleet of some 45 aircraft ranging from Hawker 800s to Gulfstream G650s and BBJs. The company’s sales and brokerage division is not included in the sale. It will continue to be owned and operated by current Avjet chairman and CEO Marc Foulkrod.

RANA SERVICE CENTRE:

Aircraft registration

There is no “one-size-fits-all” aircraft registry. A number of new registries have been launched over the last few years and more will surely follow. Many existing registries have also made changes to their offering. Each is aiming to attract owners and operators of corporate aircraft with what they consider to be a unique selling point. In such a niche market what may be an appropriate registration jurisdiction for one client may not work for another.

The reasons for registering an aircraft away from the owner’s home base jurisdiction can be many and various. To attract this comparatively small but lucrative market, registries must be able to offer outstanding service, cost-efficiency, flexibility in terms of aircraft acceptance and crew standards, as well as providing confidentiality and political neutrality. This is not to mention potential tax savings and asset protection and the limitation of liability through corporate ownership.

The Bulgarian solution

Bulgaria joined the European Union (EU) as a full member on 1 January 2007. A major Bulgarian law firm is offering a cost-effective and speedy solution to operators of corporate aircraft that are registered outside the EU and seeking full importation of the aircraft for VAT and customs duties.

Full importation allows “free circulation” within the EU and is the preferred route recommended by most corporate aircraft and VAT experts. Some operators rely on using a temporary importation facility assuming that the aircraft is registered outside the EU, is not used commercially and does not carry EU citizens. This temporary facility operates under stringent rules, many of which can be open to different interpretation across the member states.

In recent years several prominent companies have offered ways to defer and effectively reduce or nullify the effective rate of VAT and customs duties for aircraft used on a corporate basis. Aircraft used commercially on scheduled routes or for charter under an AOC qualify for zero rate VAT. The Bulgarian solution offered by MH Legal applies to corporate aircraft registered outside the EU but which require free circulation without cabotage restrictions within the 28 member states. Aircraft do not need to be re-registered in Bulgaria. MH Legal act as agents for the owner of the aircraft and liaises with the Bulgarian tax authorities to gain written “pre-approval” for each importation. This pre-approval will require confirmation of the planned corporate operation of the aircraft.

As an alternative, MH Legal can also provide registration in Bulgaria. The Bulgarian (“LZ”) aircraft register is relatively small and the registration process is quick and efficient. Aircraft can be held in the name of an individual or corporate entity. The corporate entity, if it is trading, can benefit from Bulgaria’s attractive 10% corporation tax flat rate and 5% dividend tax. Alternatively, the aircraft can be held in a dormant special purpose vehicle (SPV) offering wide scope in terms of ownership. Incorporation, like the process of aircraft registration, is efficient and can be achieved in a short period of time.

For more information on the MH Legal Bulgarian solution contact info@RegisterAnAircraft.com

Corporate aircraft news

Following the re-delivery of a Boeing Business Jet 787-8 to the Mexican Air Force last month, Dallas-based completion specialist Associated Air Center (AAC) has completed a BBJ 747-8 for the State of Qatar. The aircraft was delivered to Doha ahead of schedule and has now entered service.

Following the landmark granting of FAA type approval for the HondaJet on 8 December last year, the Honda Aircraft Company has received approval from Mexican regulator Dirección General de Aeronáutica Civil (DGAC). The aircraft was displayed at Aero Expo 2016 – the country’s largest corporate aviation event, which was held recently at Toluca International Airport outside Mexico City. First deliveries to Mexican customers are expected to begin imminently.

Some good news for beleaguered Canadian manufacturer Bombardier, which has received an order for 20 Challenger 350 aircraft. The customer’s identity has not been disclosed for “competitive reasons” but the manufacturer valued the deal at some \$534 million.

French manufacturer Daher has further enhanced its TBM 900 turboprop single with the introduction of the TBM 930. While the 900 and 930 maintain common performance characteristics and specifications, the 930 offers the high-resolution, touchscreen-controlled Garmin G3000 avionics suite.

France’s Dassault Aviation is expecting approvals from both EASA and the FAA for its flagship Falcon 8X by the end of Q2 2016. The aircraft is in the final stages of the flight-test programme prior to approval. F-WWQC s/n 403 is undertaking an intensive worldwide demonstration tour during April. The aircraft is expected to make some 65 flights and cover 101,000km and will take in Europe, the Middle East, Asia and North and South America.



AIRCRAFT FACT FILE \\\

Beechcraft 60 Duke



CATEGORY

Turboprop

MANUFACTURER

Beechcraft, USA

ENGINE

2 Lycoming TIO-541-E1C4 turboprops

LENGTH

10.31 m

WINGSPAN

11.97 m

RANGE

2,274 km

MAX. SPEED

460 kmh

SEATING CAPACITY

5

NO. OF CREW

1

MAXIMUM TAKE-OFF WEIGHT (MTOW)

3,073 kg

DESCRIPTION

The Beechcraft 60 Duke was in production for some 15 years following first customer deliveries in the middle of 1968. The aircraft first flew in late December 1966 and received FAA type certification in February 1968. During that period just under 600 examples were built. The aircraft was deigned to fill a gap in terms of size and capacity between the popular smaller Beechcraft Baron and the larger Queen Air.

The manufacturer also produced an enhanced version, the A60, from 1970. This design featured improved elevators, lighter turbochargers and an improved pressurised cabin. This version was itself enhanced in 1974 with the introduction of the B70, which offered further improved turbochargers. The Duke has developed a reputation for “challenging” and costly maintenance along with higher than expected fuel usage. A number of aircraft have been retrofitted with new powerplant, most notably P&WC PT6A-21 or -35 turboprops.