

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

Non-citizen owner trust policy clarified

The issue of non-citizen owner trusts for foreign owners of US-registered aircraft has become a hot industry topic, as we have reported in several issues of Airborne. Since producing an initial proposed clarification in February 2012, the US Federal Aviation Administration (FAA) has been consulting on the status and obligations of these ownership structures with industry representatives, lawyers and owners. An initial and short-lived ban in May 2010 reflected the FAA's perceived concerns about inadequate oversight of aircraft registered under such arrangements.

In June this year the FAA issued what it describes as a "policy clarification". In a nutshell, the guidelines require that the trustee maintains information about the identity of the operator of the aircraft, the contact details of that operator, the location of the aircraft records, the base of operations and the nature of those operations. This information needs to be available to the FAA within a strict timeframe.

Bombardier's annual market forecast

Bombardier's annual 20-year forecast for the business aircraft market has just been released. The survey continues to grab headlines. One of the key findings is that the Canadian manufacturer predicts a total of 24,000 corporate jet deliveries between 2013 and 2032 with a combined value of \$650 billion. The split for these figures allocates 9,800 aircraft in the first ten years of this period with the balance to follow.



The clear message of the forecast sees aircraft orders and deliveries starting to grow in 2014 as the world economy becomes stronger. It also points to increased investment by manufacturers in new designs, which

should stimulate market growth. After Europe and North America, China is expected to become the third largest market for corporate jets with 2,420 deliveries predicted between 2013 and 2032. During this period the survey also expects significant growth in emerging markets, particularly in Turkey and Mexico, along with Russia, the Middle East and Brazil.

Dassault Falcon's half century

France's Dassault is marking the fiftieth anniversary of its Falcon corporate jet family which began when the Falcon 20 Mystère took to the skies for the first time on 4 May 1963. Since then, the company has produced just over 2,250 corporate jets. The current range of Falcon aircraft has been consolidated into three basic models with variants and upgrades announced or in production. The twin 2000 complements the trijet 900 and the larger 7X.

As part of the celebrations, the company has assisted the Musée de l'Air at Paris Le Bourget to restore the aircraft which made the historic flight (F-WLKB s/n 01) and it now bears the original scheme worn back in 1963. The company was founded by Marcel Dassault in 1929 and is the only aviation group still owned by the founder's family.

RANA SERVICE CENTRE:

Ownership solutions

Aviation assets can be owned or registered in the name of an individual owner, but the carefully planned use of a corporate 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 a reduction of costs.

The Sovereign Group has over 25 years of corporate services experience and can establish efficient corporate structures in jurisdictions worldwide. The rules for acceptable structures vary from registry to registry. RANA, as the aviation division of Sovereign, can recommend appropriate finance centres and entities that offer a robust solution to aviation clients.



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Isle of Man milestone and “The Global Connection” conference

For the third year in a row, the Villa Marina centre in Douglas played host to the Isle of Man aviation centre conference on 13 June. The theme of the conference, organised by ICM with the support of the island’s aircraft registry and other high profile industry sponsors was “The Global Connection”.

Some 150 delegates attended the conference and networking events, reflecting a broad cross-section of industry players including corporate service providers, financial institutions, manufacturers, industry lobby groups, media and government representatives.

The conference was opened by the island’s Lieutenant Governor while the keynote address was given by John Shimmin MHK, the Isle of Man’s Minister for Economic Development, who focused on emphasising the government’s commitment to corporate aviation and in particular to the registry. Ali Ahmed Al Naqbi, founding chairman of the Middle East Business Aviation Association, also stressed the importance of the Manx registry to Middle East clients. RANA Director Brian T Richards, attending his third conference, said “this industry gathering remains of the few ‘must attend’ events.”

During the week of the conference the Isle of Man aircraft registry also confirmed that it had registered its 600th aircraft since being established on 1 May 2007. The latest register, published on 10 June, in fact reflected a total of 612 aircraft placed under Manx marks.

Corporate Aircraft News

Airbus has delivered the first ACJ321 to VIP charter operator Comlux. The aircraft will now receive cabin outfitting and is expected to enter service early next year. The aircraft has been registered in Malta and “completes the set” as the operator now boasts examples of each of the single-aisle ACJ family.

On 20 May, another high profile charter operator, Dallas-based Million Air, accepted delivery of the first **Gulfstream** G650 to be available for hire and reward. The aircraft, the first of two the company has on order, is configured with a 13-passenger cabin and boasts a range of 12,964km.

Mid-June marked a significant milestone for **Bombardier** as the Canadian manufacturer delivered the 500th Global Express. The first aircraft was delivered in July 1999. The company had further good news to celebrate as it announced a major order from VistaJet at the Paris Air Show. The Austrian charter operator placed firm orders for 20 of the recently announced Challenger 350 along with a further 20 options. The first aircraft is expected to be delivered by mid-2014. The company also received an order for 12 Global 8000 from an unannounced customer at the show.

AIRCRAFT FACT FILE:

Bombardier Challenger 300



CATEGORY:

Super Mid-Size Jet

MANUFACTURER:

Bombardier, Canada

ENGINES:

2x Honeywell HTF7000 turbofans

LENGTH:

20.92 m

WINGSPAN:

19.46 m

RANGE:

5,741 km

MAX. SPEED:

870 kmh

SEATING CAPACITY:

Up to 11

NO. OF CREW:

2

MAXIMUM TAKE-OFF WEIGHT (MTOW):

17,622 kg

DESCRIPTION:

In June 2013 Bombardier delivered the 400th Challenger 300 from its production plant in Montreal. The smallest member of the Challenger family, it was officially unveiled at the Paris Air Show in 1999 and went into commercial service in early 2004. The aircraft, a “clean sheet design” was originally launched to fill the niche of a super mid-size aircraft with US transcontinental range. The design has however proved very popular with buyers worldwide as it offers a spacious cabin, competitive speed, range and fuel consumption.

At EBACE in May 2013 the manufacturer announced a new version of the 300. The Challenger 350, which will enter service in 2014, will offer more powerful engines, a new wing, larger windows and redesigned interior.