

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

Revised Italian Aircraft Super Tax Approved

As we reported in January this year, the new Italian government announced plans to introduce a tax on corporate aircraft and helicopters. The proposed new “Super Tax” was to apply to all Italian-registered private corporate jets and helicopters, along with any foreign-registered aircraft that remain in Italy for longer than 48 hours. The Italian parliament passed the new legislation at the end of April, but with significant changes to the rates and criteria for applying the tax.

The levy, which came into effect on 2 May 2012, will now only be applied to non-Italian registered aircraft that remain in the country for more than 45 days rather than the proposed two. In addition, the rate of tax charged on smaller aircraft – based on maximum take-off weight (MTOW) – has been reduced and the levy on helicopters has been halved.



To offset this reduction in revenue, the legislation now also includes a passenger tax on private charter flights, which is based on distance flown.

Hawker Beechcraft's Troubles

March and April saw a succession of press announcements amid the continuing speculation about the future of Hawker Beechcraft. Although the manufacturer confirmed a cash injection of US\$120 million from Credit Suisse at the beginning of April, this was a rare piece of good news. A day later, ratings agency Standard & Poor's downgraded the company to a “default” rating.

By the middle of the month the company had announced a net operating loss for 2011 of US\$632.8 million and, on 23 April, it warned of impending lay-offs for 350 workers at its Wichita plant in Kansas. Finally, at the end of the month the manufacturer filed with the US

Securities Exchange Commission to de-list its bonds and thereby excuse itself from regular reporting of accounting information. The coming months look set to be turbulent.

STOP PRESS: the company filed for chapter 11 bankruptcy protection on 03 May.

EBACE Preview

The European Business Aviation Convention and Exhibition (EBACE), Europe's largest corporate aviation show, takes place at the Palexpo Centre in Geneva later this month as this issue of Airborne is published. From 14 to 16 May manufacturers, service providers, operators and customers will meet under the banner “Business Aviation – Flying the return to growth”. The 2011 show hosted a record number of 511 exhibitors, nearly 13,000 visitors and over 60 aircraft in the static display. The show is always seen as a useful barometer for the health of the corporate aircraft market and this year will be no exception. A highlight for many will be the presence in the static park of Gulfstream's new flagship G650. A full report on the show will appear in next month's Airborne.

RANA SERVICE CENTRE:

Ownership Solutions

Leveraging the Sovereign Group's wealth of corporate services experience, RANA offers ownership solutions tailored to aviation assets. We can recommend appropriate jurisdictions and corporate structures for asset protection, including tax and succession planning, and advise on the requirements and restrictions of particular registries.

The carefully planned use of a company structure – or special purpose vehicle (SPV) – can provide a number of distinct advantages to the owner of private aircraft. Access to corporate limited liability, enhanced levels of confidentiality, the mitigation of costs and the simplification of future sales are among the potential benefits. Sovereign can establish structures in jurisdictions worldwide appropriate to the aircraft's registration and owner's place of residence.



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UK Corporate Jet Market Statistics

An article in *The Guardian* from May 2009 noted that corporate jet travel had slumped by more than 20% in the previous six months according to data published by the UK Civil Aviation Authority. It went on to point out that these figures marked the end of a boom that had made the UK the world's fastest growing corporate aircraft market. Three years later, with the focus on corporate aviation's preparations for the Olympics, how have things changed?



The latest figures, as of 31 December 2011, show that there are 300 corporate jets currently on the UK register. Of these, nearly 20% are large cabin aircraft – a figure that includes 20 Embraer Legacy 600/650 and 14 Global Express. The registration of larger cabin aircraft is a familiar cliché when talking about the current Chinese market but perhaps less recognised when the UK is mentioned.

This is a trend that has become well established over the last couple of years and suggests renewed market resilience.

The news is not all positive however. The figure for registered aircraft was actually 322 at the end of December 2010 perhaps reflecting the precarious nature of the UK's economic recovery. In addition, the UK register has obviously suffered at the hands of the strengthening Isle of Man register. Of 243 corporate jets on the Manx register at the end of 2011, 10% had been de-registered from the UK. It remains to be seen if this trend continues.

Corporate Aircraft News

Following the completion of more than 100 flights, **Dassault** has confirmed that its latest version of the Falcon 2000, the 2000S, should receive FAA and EASA certification by the end of this year. Meanwhile **Bombardier** delivered the first Global 6000 with the Global Vision flight deck display system at the end of March.

Following the granting of a Production Certificate by the FAA, **Eclipse Aerospace** has confirmed that it will shortly begin manufacture of the Eclipse 550. Based on the earlier EA-500, the new version features upgraded systems and improved crew vision. First deliveries to customers are expected by the middle of 2013.

In other news relating to Very Light Jets (VLJs), US-based **Cirrus Aircraft** has announced that its SF50 Vision will fly in early 2014. In June 2011 Cirrus completed a merger with China Aviation Industry General Aircraft (CAIGA). The company has over 500 orders for the single-engine aircraft.

AIRCRAFT FACT FILE:

Beechcraft King Air B200



CATEGORY:

Turboprop

MANUFACTURER:

Hawker Beechcraft, USA

ENGINES:

2x Pratt & Whitney Canada PT6A-52 turboprops

LENGTH:

13.36 m

WINGSPAN:

16.61 m

RANGE:

3,334 km

MAX. SPEED:

570 kmh

SEATING CAPACITY:

Up to 9, typical 7

NO. OF CREW:

1

MAXIMUM TAKE-OFF WEIGHT (MTOW):

5,670 kg

DESCRIPTION:

The King Air B200 first entered service in 1981 and since then has undergone extensive modifications and upgrades. Over 2,500 examples of variants of the B200 have been delivered to commercial and military customers worldwide. The aircraft is particularly popular as a corporate transport. The B200, known as the "Super King Air" until 1996 was designed to operate cost effectively from remote airstrips inaccessible to other aircraft. The manufacturer boasts that the aircraft's cabin is roomier than corporate jets of comparable size, while air conditioning and pressurisation offer a high level of passenger comfort.

The latest version of the B200, the B200GT was launched in May 2007 and offers, among other enhancements, updated Pratt & Whitney powerplants, increased speed, faster rate of climb and Rockwell Collins avionics suite.