

An introduction to aircraft registration in the US

According to Jeffrey Towers, at TVPX and Scott McCreary, at McAfee & Taft, private aviation usage, both for business and for pleasure, continues to grow. Part of the growth may be attributed to an increasing demand for long-range international travel.

Many aircraft are regularly operated in multiple jurisdictions and aircraft owners have multiple choices as to where they will register their aircraft for nationality purposes. Once the pros and cons of each registry are fully considered, owners often choose to register their aircraft on a registry that does not correspond with the nationality of the jet owner. One of the most frequently chosen aircraft registries is the United States Federal Aviation Administration (FAA) Aircraft Registry, commonly referred to as the N Registry.

The FAA is the primary US regulatory agency that governs and oversees registration, maintenance and operation of aircraft. The FAA provides safety oversight for all US registered civil aircraft and issues safety authority for anyone providing air transportation in the form of Air Carrier Operating Certificates. In addition, anyone engaging in air transportation must obtain economic authority from the United States Department of Transportation in the form of a certificate for interstate or foreign passengers and/or cargo and mail authority, a certificate for interstate or foreign all-cargo authority, or authorization as a commuter air carrier. The DOT also protects consumers from unfair and deceptive trade practices involving the sale of air transportation.

The FAA Aircraft Registry which is located in Oklahoma City, Oklahoma issues Certificates of Aircraft Registration both for commercial and for general-aviation aircraft. To register an aircraft with the FAA, the applicant for registration must file documents evidencing ownership of the aircraft in the name of the applicant, as well as an AC Form 8050-1 aircraft registration application. To perfect liens or encumbrances against aircraft registered with the FAA, parties must (i) file the security documents with the FAA and (ii) comply with the registration requirements under the Cape Town Treaty, when applicable.

Why is the US a preferred jurisdiction for aircraft registration?

There are several advantages to registering an aircraft in the US. The FAA is widely respected for its easy, secure and inexpensive procedures for filing aircraft-title transfer, registration and security documents. There

is also a long history of court decisions and other legal precedents regarding the processes for registering and cancelling aircraft from the FAA, as well as the validity, priority and enforceability of security interests in aircraft. The US was also one of the first countries to adopt the Cape Town Treaty, thus providing the additional comfort and assurance that interests properly created and registered under the Cape Town Treaty will be recognised in other Contracting States. The clarity of applicable law and a long history of legal precedents for enforcing rights of owners and lenders for US-registered aircraft appeals to aircraft lenders, lessors and borrowers.

The FAA provides an efficient system for owners and lenders to file documents and now accepts documents bearing appropriate digital signatures, which simplifies and expedites the closing process. There is a large pool of internationally-recognised aviation attorneys and other professionals in the US available to assist aircraft owners and lenders. Many parties also take comfort in the fact that the FAA, as part of the US government, has the resources and wherewithal to properly oversee and enforce its rules and obligations as an aircraft registry. Finally, there is ample evidence that registration with the FAA helps to preserve the value of aircraft, both because the FAA's standards for aircraft operations and maintenance are among the highest in the world and because the US is the most-active market for aircraft sales.

Who may register aircraft in the US?

To register an aircraft in the US, the owner must be a citizen of the United States, with few exceptions. The definition of a "citizen of the United States" (US Citizen(s)) is provided in 49 U.S.C. §44102(a)(1)(A), and is limited to: (i) an individual who is a US Citizen; (ii) a corporation or LLC formed in the US, but only if: (a) the president and at least two thirds of the board of directors or managing officers are US Citizens, (b) the corporation or LLC is under the actual control of US Citizens, and (c) at least 75% of voting interests are held or controlled by US Citizens; and (iii) a partnership in which all of the partners are individual US Citizens. This citizenship test applies not only to the applicant for registrations, but also to its parent, and its parent's parent, etc., until one reaches the actual individual owners. Finally, individuals who are



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resident aliens (i.e. permanent legal residents of the US) may register their aircraft in the US.

This means that all individuals who are not US Citizens or resident aliens and many business entities do not satisfy the definition of US Citizens and may not register an aircraft in the US in their name. For example, non-US business entities, US corporations or LLCs that fail the management, control or voting interest tests, partnerships that include individuals who are not US citizens and partnerships that include corporations or other business entities as partners, will fail the citizenship tests. In addition, if the FAA registers an aircraft in the name of an entity that does not actually meet the citizenship test, the registration is considered invalid, or if the entity later has a change in ownership or management such that it no longer meets the test, the registration will no longer be effective. Finally, the FAA has opined that an aircraft may not legally be registered in the name of a US Citizen who is in effect merely serving as an agent or nominee.

What options are available to non-US Citizens who wish to register in the US?

Fortunately, there is a very common structure available to non-US Citizens who wish to register their aircraft with the FAA. US law allows aircraft registration through an owner trust, often called a non-citizen trust or NCT. The terms of the NCT arrangement must comply with the Federal Aviation Regulations (FARs) and published FAA requirements. The trustee must be a US Citizen as defined by the FAA, but a non-US Citizen may hold all the beneficial ownership in the trust. The non-US Citizen beneficiary may legally operate the aircraft under an operating agreement or operating lease and will hire the flight crew, pay all expenses and be responsible for all maintenance. Additionally, the non-US Citizen has the right to base and operate the aircraft anywhere in the world, as freely as any other owner of a US-registered aircraft. All the tax attributes associated with the ownership and operations of the aircraft pass through to the non-US Citizen beneficiary. Finally, the beneficiary has power to direct the trustee to terminate the trust.

NCTs are commonly used by large companies that either can't determine with certainty that they qualify as a US Citizen or where they often have changes in their ownership or management structure that might affect the analysis. NCTs are also helpful in transactions involving financing, as the registration of the aircraft is with an independent third-party trustee that is available to address questions or concerns of the lender or the FAA regarding the registration.

There are two other less common structures that a non-US Citizen might utilise to register an aircraft with the FAA. First, a corporation that fails the voting interest test already described but that otherwise meets all the other elements of the citizenship test, may use a voting trust.

The voting trust is entered into among the applicant corporation owning the aircraft, an independent voting trustee and the non-US Citizen shareholder holding the voting stock in the applicant corporation. In a voting trust, the voting trustee will hold the non-citizen's voting interest in the corporation. The voting trust structure is less popular than the owner-trust structure because many non-citizen corporations do not meet the management elements of the citizenship test.

Second, a non-citizen corporation may register its aircraft in the US if the aircraft is based and primarily used in the US (i.e. – at least 60% of its flight hours every six months are within the US). However, the non-citizen must form a US corporation and actually base the aircraft in the US. The corporation would further need to report its flight operations to the FAA every six months upon request and would be in violation of the registration requirements if it were to operate the aircraft outside of the US for more than 40% of its total flight time in any six-month period. This exception only applies to corporations and does not apply to individuals or other business entities. For these reasons, the “based and primarily used” exception is not frequently used.

What is the FAA's current position on owner trusts?

The aviation industry has utilised NCTs for many years and the FAA has provided a great deal of guidance as to their validity and proper use. In June 2013, the FAA issued a Notice of Policy Clarification for the Registration of Aircraft to US Citizen Trustees in Situations Involving Non-US Citizen Trustors and Beneficiaries. The Policy Clarification confirms that a properly documented NCT meets FAA regulatory requirements for valid registration of an aircraft. The Policy Clarification also provides a proforma NCT trust agreement acceptable to the FAA and further clarifies the FAA's expectations as to what sort of information and disclosures the FAA may request from parties utilising an NCT.

Of note in the Policy Clarification, the FAA confirms that any party utilising an NCT must file with the FAA all documents legally affecting a relationship under the trust, such as any aircraft operating agreement between the trustee and beneficiary. The Policy Clarification also requires that within two business days a trustee (and thus the trustor or end operator of the aircraft) must be able to provide the FAA with the following information:

- the identity of the person normally operating, or managing the operations of, the aircraft
 - where that person currently resides or has its principal place of business
 - the location of maintenance and other aircraft records
 - where the aircraft is normally based and operated
- Within five business days, the trustee must be able to respond to FAA requests for more-detailed information about the aircraft and its operations, including the following:
- information about the operator, crew and aircraft

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operations on specific dates

- copies of maintenance and other aircraft records
- the current airworthiness status of the aircraft

In the event of an emergency, the trustee must be able to respond to such inquiries more quickly than the timelines specified above.

What are the operating requirements for US-registered business aircraft?

Initially, one must determine which of the Federal Aviation Regulations (the FARs) will govern the operation of the aircraft. The FARs applicable to operating a US-registered aircraft can be complex and parties should engage competent US counsel and technical advisors to be certain they comply with US law.

Generally, FAR Part 91 governs the non-commercial operation of aircraft with a passenger seating configuration of less than 20 seats and a maximum payload capacity of less than 6,000 pounds. FAR Parts 121, 125, and 135 apply to commercial operations where there is some form of compensation, such as charter flights, or where the aircraft exceed a certain seating or payload capacity. FAA rules and interpretations as to which operations are considered commercial or for compensation are complex and often restrictive. For instance, the FAA has confirmed that a company formed solely to operate an aircraft, and which has no other business or purpose is by definition a charter company that may not legally operate under FAR Part 91.

FAR 91.501 provides a narrow set of exceptions under which a person may share the use of certain airplanes and receive compensation for that use yet continue to operate under Part 91. Unfortunately, the compensation allowed under FAR 91.501 is limited and is almost never equal to the fully allocated cost of owning and operating the aircraft for the particular flights. The FAA strictly construes FAR 91.501 and will not permit its use in instances where a proposed operation should be conducted under one of the other FARs, such as 121 or 135, or if the proposed operation is not clearly covered under FAR 91.501. Therefore, any charges that a company makes or compensation a company receives for the use of its airplane must be carefully tailored to comply with Part 91.501.

The limitations of FAR 91.501 do not normally apply to those situations where a party properly “dry leases” an airplane to another person for business or personal use. It is important, however, that the lessee independently obtains its pilot services. If an aircraft were leased and pilot services were also provided by the lessor, the arrangement would likely violate FAR Part 91.

An aircraft owner/operator is also free to engage a third-party management company to provide aviation services for operations under FAR Part 91. Care should be taken to make certain the owner/operator, rather

than the management company, remains in operational control of the aircraft and that the flights are within the scope of the business of the owner/operator which is not air transportation.

Sometimes parties prefer to operate the aircraft under FAR Part 135 to avoid the legal and regulatory liability associated with operational control, and/or to further allow third-party use of the aircraft and payment for such use. This is most often accomplished by placing the aircraft with, and dry leasing to, an existing Part 135 certificated operator. Proper consideration should be given to any potential tax or cabotage issues that may result from operating under Part 135.

Conclusion

There are many factors that should be considered when choosing an aircraft registry, and no one registry is the perfect solution for every owner. As with most other aspects of aircraft ownership and operation, proper planning is the key to a successful outcome. In addition to thoroughly analysing the intended uses of the aircraft to ensure compliance with applicable laws and regulations, including those of the applicable aircraft registry, other issues such as taxes and rules for importing and exporting aircraft should always be assessed in advance.

For many years, the FAA has been considered the gold standard for aircraft registration by many owners, lessors and lenders. These parties take great comfort that their rights and interests in the aircraft are properly perfected and can reasonably predict how those rights and interests will be recognised if there is a dispute. NCT structures help parties comply with US registration requirements. The airworthiness and maintenance standards for operating and maintaining a US-registered aircraft are well defined and are considered by most to help maintain the value and promote the marketability of the aircraft.

For many reasons, after careful planning, the FAA is often the registry of choice for aircraft owners, lenders and lessors, and owner trusts are a simple and broadly accepted method for non-US Citizens to benefit from US aircraft registration.

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Introduction

United States Federal Aviation Administration (FAA) Aircraft Registry, commonly referred to as the N Register, is one of the most frequently chosen aircraft registries. A majority of the aircraft in the world are registered with the FAA. The FAA is the primary US regulatory agency that governs registration, maintenance and operation of aircraft and focuses on operator safety. In addition, the United States Department of Transportation further provides economic authority for certain aircraft operations and regulates unfair and deceptive trade practices involving the sale of air transportation. The FAA Aircraft Registry, located in Oklahoma City, Oklahoma, issues Certificates of Aircraft Registration both for commercial and both general-aviation aircraft. Contact information for the FAA Aircraft Registry can be located at https://www.faa.gov/licenses_certificates/aircraft_certification/aircraft_registry/.

There are several advantages for those owners and operators registering an aircraft in the US. The FAA is widely respected for its efficient, secure and inexpensive processes for registering aircraft and for perfecting interests in aircraft (including airframes, certain aircraft engines, propellers and spare parts as discussed below). There is a great deal of legal and transactional precedent involving US-registered aircraft which provides certainty and comfort as to the process for registering and/or cancelling aircraft from the FAA, as well as determining the validity, priority and enforceability of security in aircraft. The US was one of the first countries to adopt the Cape Town Treaty, thus providing the additional comfort and assurance that interests properly established and registered under the Cape Town Treaty will be recognised in other contracting states. Many parties also take comfort in the fact that the FAA, which is part of the US government, has the resources and wherewithal to properly oversee and enforce its rules and obligations as an aircraft registry. Finally, there is ample evidence that registration with the FAA may help preserve the value of a business aircraft, both because the FAA's standards for aircraft operations and maintenance are among the highest in the world and because the US is a very active market for aircraft sales.

Aircraft considerations

Is there a weight restriction?

None

Which aircraft type certificates are accepted?

FAA/US type registered

Is there an age restriction?

None

Structuring requirements

Are there nationality requirements?

Yes

The FAA is an owner registry, rather than an operator registry. The FAA requires an aircraft be registered in the name of its legal owner and not in that of a nominee or agent. In certain instances the owner may not be the holder of legal title of the aircraft, for instance a vendee under a contract of conditional sale or the lessee under a finance lease may be considered the owner for purposes of registration with the FAA. It should be noted that the FAA will record bills of sale and title documents for

aircraft, but does not record bills of sale or title documents for engines or propellers. The FAA will record consensual liens and encumbrances against engines and propellers of sufficient size.

The following entities qualify to register aircraft with the FAA:

A. Resident Aliens. A resident alien is an individual citizen of a foreign country lawfully admitted for permanent residence in the US as an immigrant in conformity with the regulations of the Immigration and Naturalization Service of the Department of Justice

B. US government.

C. State, the District of Columbia or territory or possession of the US, or a political subdivision of a state, territory or possession.

D. A "citizen of the United States," which is defined to include the following:

1. Individual citizens of the US

2. Partnerships made up of individual citizens of the US

3. Corporations and associations that meet the following criteria:

a. Organised under the laws of the US or of a state, the District of Columbia, or a territory or possession of the US

b. President is an individual citizen of the US

c. At least two thirds of the board of directors are [individual] citizens of the US

d. At least two thirds of the other managing officers are [individual] citizens of the US

e. Is under the actual control of citizens of the US

f. At least 75% of the voting interest is owned or controlled by citizens of the US. 49 U.S.C. §40102(a)(15)(C).

If the applicant for registration is a limited liability company, then a Statement in Support of Registration must be submitted with the Application for Registration.

Under certain circumstances, a corporation that is not a citizen of the US may register an aircraft when the corporation is organised and doing business in the US and the aircraft is “based and primarily used” in the US. “Based and primarily used” registration is limited to corporations, and cannot be used by individuals or LLCs. Under “based and primarily used” registration:

a. at least 60% of the total flight hours of the aircraft must be accumulated within the US for the period consisting of the remainder of the registration month and the succeeding six calendar months and each six-calendar-month period thereafter (the Six-Month Period).

b. Only non-stop (except for stops in emergencies and refuelling) flights between two points in the US (even if the aircraft is outside the US during part of the flight) are considered within the US.

c. The corporation must maintain and make available for inspection by the FAA records containing the total flight hours in the US for the aircraft for three calendar years after the year in which the flight hours were accumulated.

What are the typical structures used to register aircraft?

If the aircraft owner does not meet the US-citizenship test and does not qualify for Based and Primarily Used registration, the most common solution is to utilise a non-citizen trust (NCT) structure. Under an NCT, the non-citizen party and a US trustee enter into an NCT to qualify for registration. The form of trust utilised is based on a form previously approved by the FAA and contains various restrictions on the non-citizen owner’s control over the trustee. Title to the aircraft is held by the owner trustee, and there is normally an aircraft operating lease agreement from the owner trustee to the

trustor/non-citizen entity or a third party operating the aircraft.

Is there a requirement to have local directors or shareholders?

The directors or shareholders don’t have to be physically located in the US. Nevertheless, the aforementioned citizenship test is applicable.

Do you need to have a local office or physical presence?

The Application for Registration requires a physical address, but it does not have to be an address in the US.

What continuing requirements are there to keep an aircraft registered?

A registered owner must file an 8050-1B Aircraft Registration Renewal Application once every three years. Re-registration is \$5. In addition, there are a number of circumstances that may invalidate the current registration, such as the registered owner losing its citizenship, the ownership of the aircraft changes, the aircraft is registered on a foreign registry, the parties fail to comply with the 60 percent rule under Based and Primarily Used, etc.

Use and operation of aircraft

Which of the following are possible:

Private use	– Yes
Corporate use	– Yes
Commercial air transport/aircraft charter	– Yes
Aerial work	– Yes

What are the requirements for a Certificate of Airworthiness?

In order to obtain a standard airworthiness certificate (FAA form 8100-2), the aircraft must be validly registered with the FAA. In addition, the aircraft must be in a condition that meets its approved type design, is in a condition for safe operation and maintenance, and all preventative maintenance and alterations are performed in accordance with applicable FARs.

What is the inspection interval for a Certificate of Airworthiness?

Inspection intervals for aircraft registered with the FAA Aircraft Registry vary depending on how they are operated and manufacturer requirements. Generally, some aircraft are subject to inspections at least once each 12 calendar months, while other aircraft are inspected after each 100 hours of flight. In addition, the pilot in command is responsible for determining that an aircraft is airworthy and in a safe condition before each flight. Parties should coordinate closely with their technical advisors to make certain they comply with any required inspection intervals.

Registration costs and service

Are aircraft registered in the name of aircraft operator or the aircraft owner?

An aircraft is registered with the FAA Aircraft Registry in the name of its owner. The aircraft owner is normally the holder of legal title, but under certain circumstances the registered owner may be considered the vendee under a contract of conditional sale or the lessee under a lease with a nominal purchase option. The FAA does not allow for registration in the name of a nominee.

What is the initial cost to register an aircraft?

\$5

What are the annual costs for aircraft registration?

\$5 every three years.

What is the average time needed to register an aircraft?

The time required to mechanically register an aircraft with the FAA varies from a few days to a few weeks. More often than not, the timing is controlled and affected not by the FAA but rather by the deal structure and the parties' understanding of the requirements for registering the aircraft on the FAA and obtaining a certificate of airworthiness. For instance, the FAA has various forms that must be used and procedures that must be followed. Thus, timing can be greatly reduced by engaging legal and technical advisors that are experienced with registering aircraft with the FAA.

If the aircraft is operated internationally, the parties may submit a Declaration of International Operations asking the FAA to expedite the change of ownership and subsequent US registration of the aircraft. In addition, the FAA automatically expedites registration for aircraft that are imported onto the US registry after cancellation from a foreign registry. If expedited, the FAA often processes the documentation and issues a temporary certificate of registration (commonly referred to as a fly wire) within one to three working days. If the aircraft is operated domestically and is not an import, it may take the FAA several weeks to process the documents and register the aircraft. Nevertheless, the FAA allows for the operation of the aircraft within the US for a period of 90 days from the date of the Application so long as an appropriate current airworthiness certificate or a special flight permit and a duplicate copy of the Application is on board the aircraft.

In addition to registering the aircraft, the parties must obtain a US certificate of airworthiness or ferry permit upon registration in order to operate the aircraft. The certificate of airworthiness is not issued by the FAA Aircraft Registry and thus requires coordination with a US Designated Airworthiness Representative or other authorised party.

How much does it cost to register a mortgage?

\$5 per airframe, engine and/or propeller per conveyance.

Does the registry/aviation authority require a non-tariffed/authenticated document to register an aircraft?

In many instances, the FAA requires parties file original ink-signed documents or documents with appropriate digital signatures. Care should be taken to confirm the documents are digitally signed, and not merely electronically signed, and are otherwise in the form required by the FAA. In addition, the FAA has specific requirements as to which titles it will accept from a signatory without further documentation to support the authority of the person executing for the company. Normally, the FAA Aircraft Registry will accept documents signed by a person with a managerial title such as officer, manager or director, but it will not accept documents signed by an attorney in fact or authorised signatory without supporting documentation.

Financing and deregistration

Is there a requirement for a governing law of mortgage?

The FAA will record documents governed by non-US law. Nevertheless, under US law certain aspects of the mortgage may be governed by the jurisdiction where the mortgage is delivered. Parties should engage legal advice regarding choice of law for the mortgage.

What is the most common choice of law for financings?

Choice of law can vary but New York law is common.

Can financiers file a Deregistration Power of Attorney/ Irrevocable Deregistration Power of Attorney (IDERA)?

Yes, the FAA will accept an IDERA so long as it is in the proper form and associated with a recordable encumbrance.

Is there a public mortgage registry?

Yes, parties can file liens and encumbrances with the FAA and when applicable should also register interests on the International Registry. There are also instances where a lender may require filing a UCC Financing Statement against the grantor, debtor or lessee. Liens and encumbrances can be filed and recorded against the aircraft, and should be recorded separately against (i) specifically identified aircraft engines of 550 or more rated take-off horsepower, or the equivalent of that horsepower, (ii) specifically identified aircraft propellers able to absorb 750 or more rated take-off shaft horsepower and (iii) any aircraft engine, propeller, or appliance maintained by or for an air carrier certificated under 49 U.S.C. 44705, for installation or use in an aircraft, aircraft engine, or propeller, or any spare part, maintained at a designated location or locations by or for such an air carrier.

Is it easy for financiers to perfect a mortgage?

A lender would typically record the mortgage with the FAA, make the appropriate registrations on the International Registry and file a UCC Financing Statement against the grantor/debtor and other relevant party. The

parties must file original ink-signed documents with the FAA or documents properly digitally executed in compliance with FAA procedures. As these filings require various legal and technical steps, the parties should engage appropriate legal counsel in this regard to make certain they are properly perfected.

How long is the period during which a moratorium can be imposed in the event of a lessee or borrower insolvency?

Should a lessee or borrower file for bankruptcy, under US law and in US courts, an “automatic stay” may be imposed, preventing further action by the lessor or lender against the debtor/lessee or the aircraft. The rights of the parties and any dispute as to the aircraft would be addressed within the bankruptcy proceedings. In certain limited circumstances, Section 1110 of the US Bankruptcy Code may allow the lender or lessor to repossess the aircraft 60 days after the initial order for relief unless all defaults (other than defaults related to the financial condition of the debtor/lessee or the reorganisation or insolvency itself) have been cured and the debtor/lessee agrees to perform all future obligations.

Does the registry/aviation authority require a notarised/authenticated document to deregister an aircraft?

The FAA does not require a notarised document to cancel US registration, but the documents requesting cancellation must otherwise be ink-signed originals (or properly executed in compliance with the FAA’s digital signature requirements) and signed by an individual meeting the FAA’s signature-authority requirements.

What are the requirements for deregistration of an aircraft?

The registered owner of the aircraft who wishes to cancel the Certificate of Aircraft Registration for the purpose of export must submit the following to the FAA Aircraft Registry:

- (1) A written request for cancellation describing the aircraft by make, model and serial number, and stating the US registration number and the country to which the aircraft will be exported;
- (2)(i) For an aircraft not subject to the Cape Town Treaty, evidence satisfactory to the FAA that each holder of a recorded right has been satisfied or has consented to the transfer; or
(ii) For an aircraft subject to the Cape Town Treaty, evidence satisfactory to the FAA that each holder of a recorded right established prior to the date the Treaty entered into force with respect to the US has been satisfied or has consented to the transfer; and
- (3) A written certification that all registered interests ranking in priority to that of the requestor have been discharged or that the holders of such interests have consented to the cancellation for export purposes.

If the aircraft is subject to the Cape Town Treaty and an IDERA has been filed with and accepted by the FAA, the FAA will honour a request for cancellation only if the party authorised under the IDERA makes the request. As a practical matter, the registered owner or holder of the IDERA should obtain and file with the FAA either releases or consents to cancel US registration from the holders of competing interests.

What are the requirements for deregistration of mortgage?

In order to release a mortgage the parties should file an originally executed ink-signed (or properly executed in compliance with the FAA’s digital signature requirements) release by the lienholder describing the collateral and the mortgage as required by the FARS.

Cape Town

Has the jurisdiction ratified the Cape Town Convention?

Yes.

What date did it come into affect?

1 March 2006

If yes, which Cape Town declarations have been made?

The US lodged declarations under Sections 39(1)(a)–(b), 54(2) of the Convention and Sections XIX, XXX(1) (including Articles VIII, XII and XIII) of the Aircraft Protocol. The US established the FAA Aircraft Registry as an authorising entry point to the International Registry with respect to civil aircraft of the US or an aircraft for which a US identification number has been assigned. In order for a registration with International Registry to be valid as to such aircraft or helicopter, the parties must request and obtain a unique authorisation code from the FAA Aircraft Registry by filing:

- (1) a completed AC Form 8050-135; and
- (2) any documents representing the transaction that are recordable with the FAA (such as the mortgage, lease or bill of sale). The code is used when making registration with the International Registry. For prospective international interest, the documents must be filed with the FAA within 60 days of the date of the filing of the AC Form 8050-135.

Importing and exporting aircraft

Are there significant taxes or fees involved in importing an aircraft?

The FAA Aircraft Registry does not impose significant taxes or fees for registering an aircraft. The parties may be subject to various other sales, use or income taxes imposed by the US or other jurisdictions, and will need to comply with any US customs regulations.

Is an Export Certificate of Airworthiness, licence or permit required to export an aircraft?

An Export Certificate of Airworthiness is not required to cancel the aircraft from the FAA Aircraft Registry, but is often required or utilised by the new aircraft register. As such, parties should take care to obtain the Export Certificate of Airworthiness or confirm with the relevant technical advisors that it is not needed before cancelling US registration of the aircraft.

Judgements and arbitration

Will a court in this country recognise and enforce a judgement rendered by a New York State Court or a US federal judge?

Yes.

Will a court in your jurisdiction recognise and enforce a judgement rendered by an English court?

Typically, a foreign judgement would need to be domesticated in the US in order to be recognised by the FAA.

Can the government of the country requisition or confiscate an aircraft without needing to pay compensation?

The US can confiscate an aircraft if the aircraft is used in furtherance of a crime (i.e. civil asset forfeiture).

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