

## Guernsey launches aviation registry

Service area / [Corporate](#)

Location / [Guernsey](#)

Date / [December 2013](#)

Guernsey's Aviation Registry, 2-Reg, officially launched on 9 December 2013 and offers the opportunity to register in Guernsey private and corporate aircraft (not being used for commercial air transport) based anywhere in the world.

The US's N-Reg and the UK's G-Reg are currently the world's most popular aircraft registries. The 2-Reg offers benefits to aircraft owners and operators that are not available with an N-Reg or G-Reg registration, including tax neutrality, a cost-effective and efficient registration process and the option to select the maintenance program to be followed.

Following an introductory period, the Registry will accept applications from eligible applicants from January 2014. The 2-Reg is operated through a unique public-private partnership between the States of Guernsey and SGI Aviation. Previous plans for the 2-Reg to be operated jointly by Guernsey and Jersey have now been dropped. The 2-Reg has its legal basis in Guernsey law in the form of the Aviation Registry (Guernsey) Law, 2013 and other associated legislation and regulations.

### Why register an aircraft?

All aircraft must be registered with a national aviation authority and must carry proof of that registration in the form of a Certificate of Registration. Upon registration an aircraft is assigned a unique identification code. This code, sometimes referred to as the "call sign", plays the same role that a number plate does on a car. An aircraft registered on the 2-Reg will be issued with a neutral national registration mark beginning "2-" followed by either four randomly generated letters, such as "2-PEQL" or, if an additional fee is paid, a personalised registration such as "2-RUTH". A randomly generated

registration is known as an "in-sequence" registration, a personalised registration is known as an "out-of sequence" registration.

### Eligibility

An aircraft does not have to be physically present in Guernsey in order to be entered onto the register. Aircraft based anywhere in the world can be registered in Guernsey provided that the legal and beneficial owner(s) of the aircraft (or in certain circumstances, a person who has chartered the aircraft) meet the eligibility requirements and the aircraft is not being used for commercial air transport.

In order to be eligible to register an aircraft on the 2-Reg a natural person must be (a) resident in the Bailiwick of Guernsey or Jersey; (b) a Commonwealth citizen; (c) a national of an EEA member state; (d) a British protected person; or (e) represented by a Guernsey resident agent (being a person licensed under The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000). A legal person must be either (a) a legal entity with its registered office, central administration or principal place of business in the Bailiwick of Guernsey or Jersey; (b) a legal entity formed under the laws of a Commonwealth country or an EEA member state, with a registered office, central administration or principal place of business, in that Commonwealth country or EEA state; or (c) be represented by a Guernsey resident agent, in order to be eligible to register an aircraft. There are many licensed resident agents in Guernsey that will be able to represent applicants.

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## Secure aircraft mortgage register

It is not uncommon for part of the purchase price of an aircraft to be met using borrowed money. Typically, such loans are secured against the relevant aircraft asset and this will be possible in respect of aircraft assets (being aircraft and aircraft engines) registered on the 2-Reg. The Registry will maintain a secure register of such charges in accordance with the Aviation Registry (Guernsey) Law, 2013. The Registry will also permit the filing of priority notices, which is a notice that a person is intending to take security in respect of a particular aircraft asset. If the charge to which the priority notice relates is subsequently filed, the charge is deemed to have been registered on the date on which the priority notice was filed and the priority of the charge determined accordingly. This may be very useful to lenders as a charge that is registered first has priority over subsequently registered charges.

## Why register on the 2-Reg?

Several features of the 2-Reg make it stand out from other aircraft registries as the registry of choice on which to register aircraft.

- Guernsey is a tax-efficient, responsible and co-operative jurisdiction and appears on the Organisation for Economic Co-operation and Development 'white list' of countries complying with the global standard for tax co-operation and exchange of information.
- Guernsey offers a stable legal, political and regulatory environment and a broad range of service providers, including resident agents and finance providers, meaning that aircraft registration and the taking of aircraft security can operate efficiently.
- No insurance premium tax is payable in Guernsey (unlike in the UK where it is currently charged at 6%).
- It is the philosophy of the Registry to validate where possible and only inspect where necessary, an approach that should significantly help in keeping the registration and on-going compliance process simple and cost effective.
- In order to avoid the frustration faced when making applications to many aircraft registries of having to repeat the same information time and time again, the 2-Reg will assign to each applicant a unique reference number which can be quoted on all correspondence in place of such information.
- Guernsey is in the same time zone as London.
- The Registry is expected to operate a 24/7 support system, albeit for urgent matters only outside of normal office hours.

In addition to the registration of aircraft, the 2-Reg will issue pilot licenses. It is expected a flexible approach will be taken to this, with the Registry validating licenses issued by the US, Canada or an EASA jurisdiction and allowing pilots the possibility of combining, in a Guernsey license, a license obtained in one jurisdiction with a rating obtained in another.

Various fees will be payable in respect of the Registry's services, with many fees being determined by the service provided and the weight of the aircraft in respect of which the service is provided. It is expected that these fees will be several per cent lower than equivalent fees charged by other aircraft registries.

The 2-Reg is an exciting new opportunity for aircraft owners and operators. If you would like to know more about the opportunities offered by the 2-Reg please contact Tom Carey, Russell Clark or Ruth Abernethy.



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