



# Isle of Man Aircraft Register



*“The speed and quality of service here cannot be bettered on the island”*

**Chambers Global**

# Isle of Man Aircraft Register

The Isle of Man Aircraft Register (the “Register”) was officially launched on 1 May 2007. The Register is aimed at professionally flown private and corporate business jets and helicopters.

The introduction of the Register was well timed as the worldwide growth in private and corporate aircraft at that time was reaching record levels. However, given the current global financial crisis, there are difficult times ahead for the industry.

## A Flying Success

The Register exceeded its target registrations for the first year of business after only six months. With a pragmatic approach and a private sector ethos to doing business, the high quality reputation of the Register is recognised internationally. By the end of 2010, there were over 300 aircraft on the Register, including a private Airbus A340. The Island also permits temporary registration of repossessed aircraft, pending transition to the new owner/operator. This “can-do” approach is why the Register is now the world’s fastest growing offshore corporate aircraft register.

## Advantages of the Isle of Man:

### High regulatory standards

The Isle of Man is a sophisticated and well-regulated international finance centre. It is AAA rated and features consistently in International Awards rankings as a leading offshore jurisdiction.

### Favourable tax regime

Isle of Man companies benefit from a corporate tax rate of 0% (a tax strategy which is compliant with the EU Code of Conduct on Business Taxation). There are no capital or wealth taxes on the Isle of Man. The Island is treated as part of the European Union for VAT and customs duty purposes and Isle of Man companies can be part of United Kingdom VAT groups.

### Geographical location

The Register is the only offshore aircraft register in Europe and offers a convenient European location as well as the benefit of being located within the European time zone.



### Stable legal and political environment

The Island enjoys political stability and is self-regulating (having the world’s oldest continuous legislature with over 1,000 years of democratic home rule). This Island also benefits from membership of the WTO, the IMF and the OECD (via its relationship with the UK).

### Law

The Island has its own sophisticated legal system which is based upon the principles of English law shared by most commonwealth countries. Lawyers and businesses who are familiar with English law will therefore be reassured by their choice of the Isle of Man as a jurisdiction in which to conduct international business.

## Advantages of the Isle of Man Aircraft Register:

### Service Standards and Access to Decision Makers

The Aircraft Registry is operated by the Isle of Man Government’s Department of Trade & Industry (“the DTI”). The DTI has already developed a well deserved reputation for providing a top quality, cost effective and highly efficient service in the operation of the Island’s successful Ship and Super Yacht Registers. The approach of those Registries is mirrored by the Aircraft Registry with a focus on personal service and access to senior decision makers who are happy to answer any queries.

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## Nationality and Registration Marks

An Aircraft registered in the Isle of Man will bear the nationality mark "M" followed by four characters. The neutrality of the prefix is beneficial to aircraft being operated in unstable regions of the world. Further, "M" registered aircraft will have the ability to fly worldwide without restraint due to the independence of the Register and it not being classified as a flag of convenience. An interesting feature which is proving attractive to some aircraft owners is the ability to personalise the aircraft's registration (e.g. M-YJET, M-ARSH, M-ICKY, M-ICRO). Personal registrations may also be transferred to the owner's next aircraft.

## Aircraft crew, licences and maintenance - Flexibility

The Island adopts a pragmatic approach to regulation and licensing whilst maintaining the highest international standards. Generally, the Registry will accept aircraft, crew licences and maintenance programmes/operators that comply with reputable international standards. This is likely to lead to significant cost savings for owners choosing the Isle of Man over other less flexible jurisdictions.

## Aircraft finance and leasing

There are opportunities for financing and structuring of aircraft ownership in the Isle of Man with potential tax and VAT advantages (including for aircraft which are not Isle of Man registered). Isle of Man corporate and trust structures are frequently used in aircraft ownership, leasing and financing structures. The Island's lawyers, accountants and finance institutions have significant experience of aircraft leasing and ownership structures.

## Registration of Mortgages

The Register permits the registration of mortgages over aircraft on the Register. Institutions or individuals funding the acquisition of an aircraft on the Register can be reassured by the system of mortgage registration and priority which mirrors the English system. However, unlike other jurisdictions, the Registry permits the registration of mortgages out of office hours.

## One Stop Shop

Aircraft owners registering their jets in the Isle of Man can avail of aircraft financing from several blue chip finance institutions on the Island. Owners can also deal with experienced and professional lawyers, accountants and corporate service providers on the Island to service all their offshore needs. The Island's successful Super Yacht register is also something which is proving to be of interest to aircraft owners (many of whom already own a Super Yacht) and who are increasingly considering structuring their assets through a single "one stop shop" sophisticated offshore jurisdiction.

## Our Team

Our lawyers have significant experience of aviation transactions, acting for global commercial airlines and, with the establishment of the Isle of Man Register, corporate and private owners of jets. We advise on both Isle of Man and BVI law and, working with global finance institutions and fiduciaries, provide a full service to clients wishing to structure their aircraft, yachts or businesses offshore.

May 2011

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Photography courtesy of Cessna, ejcphotographs@manx.net



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