

WRITTEN BY DOMINIC WHEATLEY

# GUERNSEY AIRCRAFT REGISTRY LOOKS SKYWARD

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Guernsey launched 2-REG, the Guernsey aircraft registry, at the end of 2013. Here, Dominic Wheatley, Chief Executive of Guernsey Finance, explains what it offers international clients, particularly with the recent introduction of Air Operator Certificates.

Guernsey's aviation registry, 2-REG, was the first of its kind to be established in the Channel Islands.

It offers a flexible and cost-effective register for the owners, operators and lessors of aircraft, as well as their advisors, in a jurisdiction renowned for its experience in financial services and as a safe and reliable domicile.

There are three separate registers: one each for aircraft, engines and charges. The charges register is important in ensuring that the financing arrangements on the aircraft and engines can also be undertaken in a stable environment.

## AIR OPERATOR CERTIFICATES

At its launch in 2013, 2-REG was only able to provide a service for the registration of aircraft involved in non-commercial flying activity around the world. However, the Guernsey aviation legislation was amended in March 2016, and it is now possible for commercial air transport operators to apply for a Guernsey Air Operator Certificate (AOC) and register their aircraft with 2-REG.

As well as commercial aircraft, AOCs are often requested for private jets that are used irregularly by their owners to enable more use to be made of the aircraft and to generate a source of revenue.

The first of those to secure a Guernsey AOC was private family office business Volare Aviation, which owns the flagship Guernsey-registered aircraft 2-SEXY, one of four Bombardier Challenger aircraft the company has based at London Oxford Airport. Under the AOC, Volare Aviation can assist with the importation, tax structuring and operation of a jet.

When registries issue AOCs, it is on the condition that the principal place of business of the AOC holder is in that jurisdiction. This would typically be achieved by incorporating a company and relocating qualified staff. Commercial air transport operators wishing to hold a Guernsey AOC can achieve this by utilising Guernsey's sophisticated corporate services industry.

Guernsey boasts a wide selection of international banks and wealth managers available to meet financing needs, as well as professional tax, legal and fiduciary advisors who can provide structuring advice in a time- and cost-efficient way.

In many ways, 2-REG complements Guernsey's existing expertise gained in banking, wealth management, funds, insurance and wider financial services, all of which can be important in the structuring, financing and holding of an aircraft.

## 2-REG BENEFITS

Guernsey is not a member of the EU and is therefore not required to adopt all European standards. This meant that, when the island developed the Aviation Registry (Guernsey) Law, 2013, it was able to base its regulations on a hybrid mix of the UK's Overseas Territories regulations and those set by the International Civil Aviation Organization. This enables quick and easy transfer of aircraft, pilot licence validations and validation of maintenance organisations under the Federal Aviation Administration or the European Aviation Safety Agency.

2-REG offers other benefits to aircraft owners and operators that are not available from other registries, including an efficient registration process with a 24/7 support system for urgent matters that is considered unique in the industry.

It also allows aircraft owners and operators to select the maintenance programme to be followed for the aircraft, including the main certification standards available in the US, Canada and the EU. Where a client has a preference

for choosing one programme over another, they can do so with 2-REG.

In addition, the register offers the unique registration mark '2-', followed by four letters. This allows for personalised combinations, with the first few registered with 2-REG including 2-PLAY, 2-HIGH and 2-OFUS. There is an additional fee for having an out-of-sequence 'cherished' plate. However, the pricing is considered to be very reasonable.

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PO Box 655, St Peter Port,  
Guernsey, GY1 3PN

+44 (0)1481 720071

[INFO@WEAREGUERNSEY.COM](mailto:INFO@WEAREGUERNSEY.COM)

