13 Reasons Why Bermuda is the Jurisdiction of Choice for Aircraft Registration

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Bermuda's aviation sector contributes significantly to Bermuda's economy and has great potential for growth. This article details 13 reasons why Bermuda is the jurisdiction of choice for aircraft registration.

(1)   The Bermuda Civil Aviation Authority (BCAA) has a great deal of experience and excellent credibility in the global aviation industry. It has robust regulatory standards and an extremely professional and responsive staff;

(2)   Bermuda's Aircraft Registry is a safe, well-regulated and extensive registry which ranks 10th in size when compared to the 191 signatory States to the Convention on International Civil Aviation;

(3)   The current Registry includes a mix of both private aircraft and commercial aircraft operated under Article 83 bis Agreements;

(4)   Leasing costs under an Articles 83 bis Agreement have been reduced and air operators have reported higher residual values for aircraft when resold;

(5)   The BCAA accepts Type Certificates from the EASA, the FAA and Transport Canada. As a result, an aircraft from another registry can be registered in Bermuda with minimal inconvenience and expense, and if subsequently sold, it can be easily exported to another jurisdiction;

(6)   The BCAA has two secure mortgage registers (aircraft and aircraft engines) which protects the interests of aircraft financiers – when a mortgage is registered, the financiers can not only obtain priority over unsecured creditors, they can take possession of the aircraft if there is an event of default by the owner or borrower and sell the aircraft to recover funds to satisfy the debt;

(7)   Aircraft can be registered on the Aircraft Register using a company incorporated anywhere in the Commonwealth or the European Economic Area;

(8)   Bermuda has a sophisticated infrastructure which includes depth of market of experience, an internationally recognised stock exchange (the Bermuda Stock Exchange) and a well-balanced and sensible regulatory regime;

(9)   Bermuda currently has 80 treaty partners, including 41 bilateral Tax Information Exchange Agreements (TIEAs) and 76 co-signatories of the Council of Europe's Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Bermuda has been on the OECD's "White List" since 2009 and its regulatory framework is constantly evolving to keep ahead of the curve;

(10)   Bermuda's long standing commitment to global co-operation and transparency has ensured that it is a well-respected jurisdiction which aims to attract and maintain blue chip investors and industries;

(11)   The collaboration between industry, the regulator and the Government ensures that Bermuda responds to market evolution in an efficient, considered and well-regulated way;

(12)   All Bermuda taxes are jurisdiction based and exempted undertakings can obtain a tax exemption certificate in respect of certain taxes. Essentially, Bermuda is a low-tax jurisdiction with a well-established tax regime;

(13) Bermuda is a tried and tested jurisdiction with a legal system which is based on the common law of England and Wales. Its legal infrastructure is stable and has an excellent reputation internationally, especially in respect of commercial matters.

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