



## Malta - The Aircraft Register of Choice within Europe

**By Dr. Andrew J. Zammit B.A., LL.M. (Lond.), LL.D.**

Spurred by the prosperity and solid reputation of Valletta's maritime register over the past 20 years and the increasing number of US-based owners looking towards Europe for their aircraft registration requirements, the Maltese Government is currently in the course of implementing a comprehensive legal and regulatory framework for the registration of aircraft- primarily business and private jets- on the Maltese aircraft register.

As a first step in the legislative process, on the 31st July 2009, the Authority for Transport in Malta Act (Chapter 499 of the Laws of Malta) was enacted to establish a new regulatory Authority which has assumed the functions previously exercised by the Malta Maritime Authority, the Malta Transport Authority and the Directorate of Civil Aviation in the three separate sectors of transportation, namely sea transport, road transport and air transport respectively. This Act became effective on the 1st January 2010 and, amongst other things, vests the responsibility for all matters connected with civil aviation in the Civil Aviation Directorate.

This has now been followed up with the drafting of the text of a bill which is expected to be called the "Aircraft Registration Act". The framework of the draft bill is essentially intended to minimise the potential bureaucracy relating to the formal requirements for registering an aircraft, making the register accessible to as many owners and operators as possible, and providing financiers with an effective procedure for the registration and enforcement of security over aircraft and their engines. The bill includes forward-looking provisions which serve to accommodate industry requirements, such as fractional ownership of aircraft, the ownership of aircraft by trustees and the possibility of registering aircraft while still under construction.

Insofar as security issues are concerned, the Ministry for Infrastructure, Transport and Communications is also proposing to ratify and transpose the provisions of the Cape Town Convention on International Interests in Mobile Equipment and the Aircraft Protocol thereto (collectively referred to as the "Cape Town Convention") providing access to the international registry for the registration of mortgages and other security interests over Malta-registered aircraft and their engines. Ratification of the Cape Town Convention has become a market standard requirement for most banks providing finance to the aviation industry. The ratification and transposition of the convention in the near future will represent a significant milestone in the implementation of the necessary legal framework to cater for aircraft registration and finance transactions.

Malta's position within the EU and the Eurozone, the notable tax incentives offered to persons being tax resident and domiciled outside Malta and the extensive network of double taxation agreements, which are currently in excess of 50 in number, are all factors that are expected to make the island's aircraft registry extremely attractive to owners.

**Zammit & Associates - Advocates** is a leading Maltese law firm specialising in the registration and finance of ships, yachts and aircrafts. Should you wish to contact Dr. Andrew Zammit you may call him on (+356) 2557 2300 or send an e-mail to [info@zammit-law.com](mailto:info@zammit-law.com).

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