



'How To...' Guides: Transitional Aircraft Registration with the Civil Aviation Authority of the Cayman Islands

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There are many reasons why an aircraft may require temporary registration and the Civil Aviation Authority of the Cayman Islands (the 'CAACI') is open for transitional registration projects ('Transition Projects'). The programme has been in place for almost two years now and developed significantly throughout 2020. With an increase in demand from the commercial aviation community resulting from the global Covid-19 pandemic, reliable registry services are more important than ever. The CAACI has a comprehensive service level agreement ('SLA') and can work with parties to be flexible in delivering a bespoke project solution to suit particular client needs. Every project is different but this 'How To...' guide is intended as an overview of the requirements and steps necessary to register an aircraft on the Cayman Islands transitional register (the 'Register').

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| Step 1 | Reach out to the CAACI to discuss operational objectives such as mode of transition including repossession, storage/transition, parting out etc. | Step 8 | Notice of acceptance to registry sent to applicant (the 'Applicant') by the CAACI (usually within three (3) business days of submission (further details follow) |
| Step 2 | Appoint Cayman Islands counsel to assist with the process where required | Step 9 | Phase 2 of the transition process – the assigned continuing airworthiness management organisation ('CAMO') in technical liaison with the CAACI make online application submissions for required approvals and certificates supporting the life of the Transition Project |
| Step 3 | Establish whether the current aircraft owning entity is qualified to register the aircraft in the Register (see further details for qualifying entities below) | Step 10 | Deregistration from existing state of registry (if applicable) |
| Step 4 | Agree an SLA specific to the requirements of the Transition Project | Step 11 | Issue of a Cayman Islands Certificate of Registration by the CAACI |
| Step 5 | Request an online registration application through VP-C Online (registrationenquiries@caacayman.com) | Step 12 | CAACI liaison with the assigned ferry flight operator and CAMO in support of required flights such as ferry flights, storage maintenance flights and demonstration flights |
| Step 6 | Through the registration application provided by the CAACI, provide details of the aircraft, registered owner and legal owner (if different) and upload due diligence documentation required (further details follow) | Step 13 | Final CAACI oversight for the issuance of an Export Certificate of Airworthiness at the end of a Transition Project |
| Step 7 | Pay 50% deposit of the standardised SLA Transition Project cost following receipt of an invoice from the CAACI (invoice will be sent upon submission of registration application) | Step 14 | Deregistration Request by the owner/CAMO and execution by the CAACI at the conclusion of the Transition Project |

Further information

1. What is the first step to commence a Transition Project?

The Applicant or appointed CAMO should reach out to the CAACI Director of Air Safety Regulation at mark.dixon@caacayman.com or by phone; specifying the type and number of aircraft involved in the Transition Project. From there a technical discussion will be initiated to ensure the Applicant's operational objectives can be met.

2. Who can register an aircraft with the CAACI?

The eligibility is set out in the Air Navigation (Overseas Territories) Order 2013 (as amended). The following is a list of entities/persons eligible to apply for registration of aircraft on the Register:

- the Crown in right of Her Majesty's Government in the United Kingdom or in right of the Government of the Territory (Cayman Islands);
- United Kingdom nationals;
- Commonwealth citizens (which includes citizens of the Cayman Islands);
- nationals of any European Economic Area State or of the Swiss Confederation;
- Bodies incorporated in any part of the Commonwealth and which have their registered office or principal place of business in any part of the Commonwealth; or
- undertakings formed in accordance with the law of an European Economic Area State or the Swiss Confederation and which have their registered office, central administration or principal place of business within the European Economic Area or within the Swiss Confederation.

It is also possible for an operator to register an aircraft as charterer by demise if it is a qualifying entity but the legal owner of the aircraft is not.

3. How long will the registration take?

As mentioned in Step 8, once all documents are received and the application is submitted, it takes around three (3) business days to finalise an application. However, same day processing is possible depending on existing workload and urgency of the matter and this can be discussed with the CAACI at the outset of a Transition Project.

4. How much will it cost?

Fees are determined on a case by case basis where a SLA is developed between the CAACI and the relevant party based on the specific requirements for each Transition Project. Cost is

dependent on various factors: the type and number of aircraft involved, the length of the proposed Transition Project and the certifications required while the aircraft is/are on the Register to name a few. The CAACI has set standardised fee structures for various aircraft types. The SLAs also cater for flexibility depending on the level of service required. The CAACI endeavours full transparency on fees ensuring thorough communication at the outset of the discussion in order to define any additional fees of the Transition Project for acceptance by the Applicant. Further details on fees are set out below:

- Regulatory fees – the CAACI focuses on the total project cost from the outset whereas other jurisdictions may advertise entry costs only. Specific budget requirements (which may be limited) for a Transition Project can be factored in from the outset.
- Service fees – the associated services offered in the SLA will cater for the vast majority of Transition Projects. For Transition Projects that require significantly less regulatory effort, the SLA has a provision for the CAACI to determine a commensurate fee reduction.

5. How long can an aircraft be registered with the CAACI as part of a Transition Project?

The SLA has been modified to cater for a 12 month period without any additional fee. This is due to the current global circumstances and this period will remain under review.

6. Can I store my aircraft during the term of the Transition Project?

The aircraft will be technically managed by the assigned CAMO and the CAACI will have active oversight of the storage period working with the CAMO in preparation for issuance of an Export Certificate of Airworthiness at the end of the Transition Project.

7. What if my plans change?

The CAACI recognises that Transition Projects can change significantly from the original objective/workslope. The SLA recognises these circumstances and can be adjusted accordingly. For the parting out of aircraft, the CAACI will support the certificates required for major component removals (typically engines) however there is no provision to have oversight of the actual dismantling. This activity is typically managed under an accreditation scheme with the organisation's national aviation authority ('NAA'). Typically the aircraft will be deregistered prior to commencement of dismantling.

8. What information does the CAACI need regarding the stakeholders involved in the Transition Project?

The CAACI will require certain technical information and documentation regarding the aircraft (see further below) as well

as the following KYC documents in respect of the Applicant for registration of the aircraft:

- certificate of incorporation of the Applicant;
- certificate of good standing of the Applicant (if the company is over a year old);
- register of directors and officers and a legible and notarised copy of the passport photo page (colour preferred) for at least two directors of the Applicant. As an alternative to supplying passports, the Director signing any official documents can have each document notarized as to the signatory's relationship to the registered owner and the authenticity of the signature;
- transparent overview of the Applicant's business activities from the beneficial owner or authorised officer of the Applicant giving details of the Applicant's business operations and indicating the relevant websites; and
- disclosure of the ultimate beneficial/legal owner ('UBO') of the aircraft:
 - a notarised/certified document indicating the UBO(s) of the aircraft (e.g. Register of Members);
 - a clearly legible and notarised copy (colour preferred) of the UBO(s)' passport photo page;
 - if the UBO is an individual, evidence of their permanent residence, e.g. copy of a driver's license and a utility bill; and
 - if the UBO is a company (publicly traded or private) which is usually the case for lessors, the Register of Members of the UBO. Alternatively, a legal document which shows the link between the UBO(s) and the Applicant/registered owner (e.g. a flowchart showing the ownership chain and the supporting Register of Members for each shareholder). In short, a connection must be established between the legal owner and the registered owner if these are different.

9. What aircraft details are required in the application to register?

- A copy of the bill of sale for the aircraft in favour of the Applicant/owner;
- A copy of the relevant lease agreement(s) for charter by demise registrations;
- maximum take-off weight;
- date of manufacture;
- full address of the manufacturer;
- proposed registration mark of the aircraft (if a specific registration mark is desired and available from the CAACI); and

- export certificate of airworthiness or equivalent document(s) from the current state of registry and certificate of deregistration (or non-registration for new aircraft).

10. Is an aircraft inspection required?

The CAACI treats every application on a case by case basis and will quickly inform each client if a physical inspection is required or if the inspection can be handled remotely.

11. What are the technical requirements for a Transition Project?

The CAACI requires that the Applicant for a Transition Project engages the services of an appropriate CAMO. The CAACI have a list of preferred CAMOs that have specific working relationships with the CAACI to expedite the issuance of the required certificates and approvals. There are no specific insurance requirements mandated by the CAACI.

12. What counter measures have been put in place in respect of the regulatory oversight challenges and travel restrictions as a result of COVID-19?

The CAACI works closely with assigned CAMOs, practising remote oversight using historical experiences and developed processes. The CAACI also engages proactively with other NAAs to ensure the transition of jurisdiction is productive and efficient.

13. What arrangements are made for maintenance approvals including in jurisdictions that do not hold Cayman Islands approvals?

The CAACI issues two types of maintenance approvals: (i) full approval with capability and scope to accommodate any Cayman Islands registered aircraft within the relevant approval rating and (ii) a maintenance acceptance arrangement approval that is based on a suitably qualified maintenance organisation working in support of work orders issued by the assigned CAMO.

14. What if a Deregistration Notification or Export Certificate of Airworthiness from the existing state of registration is not available?

The CAACI can write to the relevant registry and encourage them to deregister. There can be some flexibility around whether or not original documents are required. Ultimately, it is critical to identify any of these issues at the outset of any Transition Project and it is important to ensure open lines of communication between the all aviation authorities, local counsel in the relevant jurisdictions and all stakeholders.

The CAACI can also accept aircraft without an export certificate of airworthiness as reporting arrangements established with CAMOs mitigates this aspect. The CAACI recognises the export certificate of airworthiness conformity statements subject to

an understanding of any declared exceptions to certification standards.

15. How do you accomplish ferry flights from the aircraft's existing position?

The CAACI will work primarily to issue a Conditional Certificate of Airworthiness rather than a Permit to Fly. This is undertaken in compliance with ICAO and predicated on an historical operated and certified aircraft. There are significant advantages to this approach particularly in not having to arrange overflight permissions.

The SLA offers multiple flight authorities for up to three (3) months total validity (i.e. potential flying time). Typically the technical basis supporting the issuance of a certificate of airworthiness changes during the life of a Transition Project and this is updated by the CAMO in an ongoing airworthiness report.

Radio Licences are administered by a separate authority in the Cayman Islands (OFREG) which operates an online application system. Where time scales prevent gaining this certificate the CAACI issues an equivalent to support the relevant ferry flight.

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