



MARTYN
FIDDLER | DEAL
CENTRE

for Faster Business Aviation Transactions



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MARTYN FIDDLER DEAL CENTRE

THE MARTYN FIDDLER DEAL CENTRE facilitates business aircraft transactions by combining a tax suspended business airport location with an indemnified tax opinion at a fixed price and a guaranteed 72hr turnaround time*.

CREATED to provide business aviation buyers, sellers and brokers with a low-risk environment for faster business aircraft transactions. The MF Deal Centre will provide a single, one stop tax secure solution to inspect, buy and sell aircraft. The first MF Deal Centre will be located at Biggin Hill Airport - one of the UK's preeminent business airports. Aircraft owners and transaction specialists will have all maintenance and ancillary facilities on hand to enable the sales process to be hassle free.

Buyers and sellers of business aircraft need their aircraft covered by the correct tax and customs regime to de-risk any tax exposure on a transaction. Each party wants indemnified tax advice they can rely upon to ensure full mitigation of the tax risks associated with aircraft transactions in Europe. In addition, buyers and sellers of business aircraft require quick, guaranteed timescales for their transactions to allow for inspections, maintenance and checks of the aircraft before completion.

The MF Deal Centre combines a dedicated Customs Warehouse facility with indemnified tax advice for both buyer and seller for a fixed price and guaranteed 72 hour turnaround time*. With the first Deal Centre located at London Biggin Hill Airport, European aircraft can be exported into the Customs Warehouse to perform pre-inspections, check flights, re-registration and completion of the transaction before going to the new owner.

The MF Deal Centre provides a tax suspended and risk-free location for all transaction parties to work on the aircraft sale for one single cost. Once the sale has been completed, the aircraft can depart to a non-UK location with all tax risks fully discharged.

“Martyn Fiddlers’ aim is to make simplicity as standard in the complex world of aircraft tax and customs. We have listened to our industry partners: they want a tax safe and de-risked environment in which to hold aircraft, while the finer details of the sale are being negotiated. The MF Deal Centre provides this certainty and peace of mind for all parties involved. MF just need the details of the proposed transaction – then we handle the rest.”

Phill Rawlins, Customs Director at MFA

Buyers, sellers and brokers of business aviation aircraft can get access to the dedicated MF Deal Centre by contacting Martyn Fiddler with details of the proposed transaction. The Deal Centre team will take clients step by step through the information required to get everything started.

* 3 working days

ABOUT LONDON BIGGIN HILL AIRPORT

London Biggin Hill Airport is just 12 miles from central London and offers award winning VIP handling, a choice of FBO's, extensive hangarage, support and maintenance services for all ranges of business jets.

A designated UK Port of Entry, no runway slots and an exclusive 6 minute helicopter transfer service to and from the heart of London; Biggin Hill is one of the pre-eminent dedicated business aircraft airports in Europe.

Aircraft Facilities & Services: London Biggin Hill offers a comprehensive range of business aviation support services, including:

Ground Handling Equipment: an extensive range of ground handling equipment supporting all business jet types including BBJ's and ACJ's. All the equipment is operated by the Airport Ramp Operations Team and is available through Biggin Hill Executive Handling, or other designated handler at the Airport.

Aircraft Cleaning: London Biggin Hill based Jetwash offer a range of Professional Business Aircraft Cleaning Services and specialised fumigation, disinfection and disinfection treatments.

Maintenance Facilities: There are a number of operators located onsite at Biggin Hill (including Bombardier and Falcon Flying Services) who can offer first and second line maintenance plus emergency technical support, parts, avionics assistance and completion:

Flight Based Operators (FBOs): London Biggin Hill provides a choice of two FBO's as well as direct ramp access be it for ground or helicopter transfers.

The Biggin Hill Executive Handling team are co-located with UK Border Force are on hand to take care of everything that passengers and crew may require – including ground transport, hotel accommodation, catering, laundry, newspapers and so on.



FREQUENTLY ASKED QUESTIONS

HOW DOES THE MF DEAL CENTRE OPERATE?

The MF Deal Centre combines a dedicated customs warehouse facility with indemnified tax advice for business aircraft buyers and sellers for a fixed price with a guaranteed 72-hour turnaround time (3 working days). Aircraft can be exported into the customs warehouse at Biggin Hill using the MF Deal Centre to perform pre-inspections, check flights, re-registration and completion of the transaction before going to the new owner.



THE TOP 5 BENEFITS OF THE MF DEAL CENTRE?

- ✓ Delivers a fixed price & a guaranteed turnaround time for business aircraft transactions.
- ✓ De-risks any tax exposures for buyers & sellers as it covers the correct customs and tax regime.
- ✓ Utilises the Martyn Fiddler Customs Warehouse facility to ensure any aircraft are compliant with applicable customs regimes.
- ✓ Combines Customs Warehouse & Tax Advice to deliver a single resource to close transactions outside the scope of UK & EU VAT, duty & other taxes.
- ✓ Provides indemnified tax advice that both seller & buyer can rely on for ensuring both parties have complete mitigation of tax risks.

HOW CAN MARTYN FIDDLER OFFER THE DEAL CENTRE?

Martyn Fiddler holds Authorised Economic Operator (AEO) status which includes a Customs Warehouse approval and the required Customs Guarantees to cover the goods (aircraft) placed into the Warehouse.

WHAT ARE THE TAX IMPLICATIONS OF THE MF DEAL CENTRE?

The MF Deal Centre provides a tax suspended and risk-free location for all transaction parties to work on the aircraft sale for one single cost. Once the sale has been completed, the aircraft can depart to a non-UK location with all tax risks fully discharged.

WHAT IS THE TAX REGIME FOR THE MF DEAL CENTRE?

The MF Deal Centre operates as an approved special procedure under the authority of HMRC, the UK tax and customs authority.

IS VAT APPLICABLE FOR THE MF DEAL CENTRE?

Transactions on goods made in the Customs Warehouse can be made outside the scope of UK VAT. EU VAT does not apply as the UK is now outside of the EU.

WHAT WILL BE THE TAX LIABILITY FOR AIRCRAFT SELLERS AND BUYERS?

Martyn Fiddler's Tax team can provide fully indemnified advice on closing aircraft transactions in the Customs Warehouse. The tax advice will demonstrate that there should be no sales VAT / tax on a transaction in the Customs Warehouse. This advice can be provided to both selling and buying parties to ensure awareness and transparency on tax points.

The combination of the Customs Warehouse and the formal tax opinion ensures that the transaction for both seller and buyer is de-risked.

WHO ARE THE PARTNERS IN THE MF DEAL CENTRE?

The MF Deal Centre has dedicated business airports, maintenance facilities and experienced aviation partners. The Deal Centre has its first

partnership with Biggin Hill airport near London to close any Deal Centre aircraft transactions. Other partners will be announced by June 2023.

WHAT ABOUT AIRCRAFT REGISTRATIONS & PRE-PURCHASE INSPECTIONS?

The MF Deal Centre specifically allows for Pre-Purchase Inspections (PPI) and also allows for the works required for de-registering and re-registering an aircraft such as recoding the transponder and re-fixing decals and placards etc.

HOW DOES THE MF DEAL CENTRE OPERATE ONCE AN ENGAGEMENT WITH MARTYN FIDDLER HAS STARTED?

Once letters of engagement have been exchanged and an agreement signed, there are three steps:

- 1 Arrival:** Upon being engaged and holding the required information, MF will confirm that the Customs Warehouse is available and the aircraft can arrive at an agreed arrival times, after which MF will process the aircraft into customs control. The aircraft takes 2 to 3 hours to clear through the customs system.
- 2 Warehousing:** The aircraft is covered by the customs warehouse and the transaction can proceed.
- 3 Departure:** MF liaises with the buying party to confirm the release the aircraft from customs control, after which the aircraft can then depart to a non-UK point.

WHAT IF THE AIRCRAFT REQUIRES MAINTENANCE - CAN THE AIRCRAFT STILL BE WORKED ON?

If the aircraft requires maintenance works or other upgrades after the transaction has closed, the Deal Centre allows for an Inward Processing approval at the same location. This means maintenance works can be carried out in a customs and tax compliant manner- outside the scope of any VAT. This removes the requirement to reposition to another location, increasing utilisation at a single location.

8 STEPS TO USE THE MF DEAL CENTRE

There are 8 steps to follow for any buyer, seller or broker:

- 1** Martyn Fiddler's tax team engages with both the buyer and seller to initiate entry into the MF Deal Centre.
- 2** Martyn Fiddler delivers a questionnaire to buyer and seller to identify the aircraft details, the transaction requirements and the ultimate client (beneficial owner) of the transaction parties.
- 3** Tax advice is issued and an invoice is provided to the relevant party. Invoices may be split between buyer and seller, paid by either buyer or seller, or by the broker (or other relevant party) as stipulated in the transaction agreements.
- 4** The aircraft arrives at Biggin Hill airport and is processed in the Customs Warehouse.
- 5** Martyn Fiddler confirms the aircraft has been cleared into the Customs Warehouse; transaction proceeds.
- 6** Martyn Fiddler liaise with parties for export date (after sale closes).
- 7** The aircraft leaves the Customs Warehouse.
- 8** The transaction is now closed.

WHAT PAPERWORK IS REQUIRED OF BOTH BUYER & SELLER OF THE AIRCRAFT?

Corporate entity details (full name, registered address & offices, including ID verification)	Identity of the ultimate beneficial owner (including identity verification & source of funds)	Confirmation & details of buyer & seller representatives (for example, legal counsel)
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WHAT ABOUT COMPROMISED OR CHALLENGING AIRCRAFT?

If an aircraft has become subject to insolvency or other complex proceedings, the MF Deal Centre is the ideal place to hold the aircraft while these issues are being dealt with and a sale is arranged. For example, financiers want to de-risk any tax exposure they may be facing on the enforcement of security over an aircraft. Martyn Fiddler has worked with financier and lenders worldwide to protect their interests while safeguarding potential tax exposure.

CAN MARTYN FIDDLER ADVISE ON ANY OTHER REQUIREMENTS?

Martyn Fiddler can support maintenance inputs, storage intervals, importation to the UK or the EU and offer formal tax advice on any usage or operations in the UK and EU. Martyn Fiddler can also advise on any potential maintenance requirements and provide the suitable cover as an additional service.

WHAT INFORMATION IS REQUIRED ABOUT THE AIRCRAFT TO ENTER THE MF DEAL CENTRE?

- 1 Aircraft Certificate of Airworthiness.
- 2 Aircraft Certificate of Registration.
- 3 Aircraft flight manual showing Maximum Take Off Weight (MTOW).
- 4 Aircraft weight & balance report showing Empty Operating Weight (EOW) (operating weight minus crew).
- 5 Aircraft purchase agreement showing the current value of the aircraft or certified statement of current value.

ADDITIONAL SERVICES BY THE MF DEAL CENTRE

MF can also offer the following services to clients of the Deal Centre at an additional cost:

Full UK export: if the aircraft has free circulation status in the UK it will need to be exported prior to entry into the MF Deal Centre.

Back-to-Back transactions: if there is more than one sale as part of the transaction, due diligence will be required on each intermediate party to the ultimate sale. Additional parties can be added to the Deal Centre on request.

Inward Processing: aircraft can be transferred into inward processing should any maintenance or upgrades be required as part of the transaction.

Extended time: once activated, the Deal Centre will be available to clients for an initial 3-month period. Martyn Fiddler is happy to extend this should the transaction be delayed.

Additional Tax Advice: if either the buyer or seller wish to enhance their tax advice to include other sale matter or future use of the aircraft Martyn Fiddler will provide an additional quote for such work.

EU and UK Import: following the sale of the aircraft, the buyer may wish to import the aircraft into Europe. Martyn Fiddler can support both UK and EU import and facilitate temporary admission if required.

US Import: if the aircraft will be departing for the US, Martyn Fiddler can assist you with import requirements.

GLOSSARY OF TERMS

Customs Warehouse: a Customs warehouse (CW) is a Customs special procedure which can cover goods stored in a warehouse location. Use of this procedure allows non imported goods, including aircraft, to arrive in a country without having to be imported and paying Customs duties including import VAT. Use of this procedure is only for non-free circulation aircraft and there is a restriction on what works (for example maintenance) can be completed to an aircraft under CW; it is primarily a regime for storing goods pending sale. The CW procedure is put in place under an authorisation granted to the warehouse holder. The UK, and some EU member states, permit aircraft to be sold inside a CW without charging VAT.

Free Circulation Status: aircraft that have either been formally imported into the customs territory or have been manufactured and sold inside that territory. Free circulation status is not permanent. For example an aircraft loses its free circulation on every departure, however it can be recovered on aircraft's return without further taxes becoming due.

Inward Processing (IP): a customs special procedure similar to the Customs Warehouse regime. IP is a relief specifically designed for non-imported goods, including aircraft, to be brought into a territory to have planned repair or maintenance works carried out. If the aircraft stays in the IP regime, or moves to another customs relief regime such as a Customs Warehouse, the aircraft does not need to be imported. The UK and some EU member states permit aircraft to be sold within IP without charging VAT.

Import VAT: a tax imposed on aircraft crossing the border into a customs territory. Import VAT is treated as a "duty of Customs" as it is managed by customs officers, whereas VAT incurred inside the territory, either the UK or the EU, is managed by local/domestic tax inspectors. This can lead to some confusion for aircraft owners regarding some of the principles of VAT reclaims between the customs and VAT teams.

MEET OUR TEAM



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Customs Director,
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**ANGIE
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GET IN TOUCH

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