

Aircraft Registry and Taxes in Aruba

This fact sheet applies to Aruba. You will find information with regard to:

- The Registry of Aruba / International Air Safety Office Inc.
- Why register your aircraft in Aruba?
- Changes in the Aruba aircraft registry.
- Tax efficient structure

Introduction

Tax planning is a fundamental part of the process of structuring a deal. Our team of enthusiastic and expert tax lawyers and tax consultants has extensive expertise in assisting clients with tax issues related to the registration of aircrafts in Aruba.

The Registry of Aruba/ International Air Safety Office, Inc.

Aruba is a category 1 country rated by the US FAA and ICAO. In its civil aviation registry there are registered national airliners, large to small business jets, and several rotor aircraft belonging to leasing companies, VIP operators, and private owners. The Registry of Aruba offers total anonymity, reliability, protection and satisfaction to aircraft owners that register their aircrafts in Aruba.

PwC Aruba has an extensive working and cooperation alliance with The Registry of Aruba concerning the registration of aircrafts.

For more information how to proceed with the aircraft registration itself, please visit www.airsafetyfirst.com.

Why register your aircraft in Aruba?

There are many other reasons to register your aircraft in Aruba. Aruba has a favorable tax system for the registration of aircrafts. If structured properly:

- the aircraft activities of the Aruban entity may not result in corporate income tax,
- dividend distributions as a result of profitable aircraft activities of the Aruban entity will not result in dividend withholding tax payable in Aruba,
- no foreign exchange commission is due on international payments,
- Aruba does not have an insurance premium tax,

- Aruba does not impose a transfer tax on the transfer of aircrafts,
- import duty on aircraft is, 0%,
- there is no need to file corporate income tax returns if conditions are met,

Aruba has a favorable tax system for the registration of aircrafts.

- the leasing of an aircraft may occur free of tax, no withholding taxes are due on lease instalments if certain conditions are met,
- Aruba is part of the Kingdom of the Netherlands and has a stable legal, fiscal and political environment, an Aruba entity may have access to the Tax Regulation for the Kingdom of the Netherlands and structured through other jurisdiction of the Kingdom of the Netherlands,



- Aruba has an OECD approved tax jurisdiction.

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Changes as per February, 2014

Based on a recent Ministerial Decree it is currently possible to register an aircraft in Aruba which aircraft is owned by a legal entity established according to the laws of:

- a member of the European Union,
- certain countries, islands and territories included in the Treaty on the functioning of the European Union,
- another member state of the Agreement on the European Economic Zone,
- Switzerland,
- Canada,
- the United States of America or
- a legal entity country mentioned in the annex to the Ministerial Decree.
- Furthermore, in case a person or entity that is allowed to register in the Aruba aircraft registry disposes of an aircraft based on a lease agreement, management agreement, operation agreement or an agreement based on fiduciary ownership, this person or legal entity is allowed. This person or legal entity will have to comply

with the obligations as applicable to the owner of the aircraft.

Taking the above into consideration, these changes make it more flexible for foreign entities to register in the Aruba aircraft registry and may expand the possibility for a tax efficient structure.

Tax efficient structure

Our tax team will plan and structure your aircraft transaction. PwC Aruba can be of assistance in among others the following areas:

- review of the transaction documents and Aruba tax implications of the transactions;
- review and guidance of a foreign person and entity qualification for the registry.
- entity structure and planning
- take over and financing issues.

Are you considering registering your aircraft in Aruba in a tax effective way? Please contact PwC Aruba for further information and or a meeting.





Our PwC Aruba
Tax team

How PwC can help

If you would like to learn more or have questions or remarks in respect of the contents of this newsletter, you can contact:

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