

Ireland - Aviation Outlook 2017

Ireland leads the way as an aircraft leasing jurisdiction and 2017 will further strengthen Ireland's position.

Ireland is already one of the most popular jurisdictions for aircraft leasing due largely to the fact that Ireland's fiscal regime offers substantial advantages to the aircraft leasing industry. These include:

- a low rate of corporation tax;
- extensive exemptions from dividend withholding tax on the extraction of profits;
- zero withholding on rental payments;
- no stamp duty on the sale of aircraft or on financing documents; and
- an ever increasing network of double tax agreements.

In 2015 the commencement of the Irish Companies Act, 2014, simplified and modernised Irish company legislation into a single comprehensive code.

The Irish Government has also amended the Mobile Equipment (Cape Town Convention) Act, 2005 to permit the making of a ministerial order giving the Cape Town Convention Alternative A insolvency remedy force of law in Ireland.

These changes have eased the way for increased activity in aircraft structured finance transactions including Irish EETC issuances. We expect trends in 2017 to include:

- establishment of Irish regulated aviation funds;
- establishment of further Section 110 aircraft funds;
- increased activity and development of new innovative structures in the Aviation sector; and
- increased activity in joint ventures, mergers and acquisitions in the aviation market.

OUR EXPERIENCE

Our team, the largest dedicated team in Ireland, is recognised by the international aviation industry as the Irish law firm of choice for experienced and sophisticated advice on aircraft financing. For many decades we have assembled, structured and managed complex cross-border, multi-jurisdictional and domestic financing and tax-based structures often accessing the international capital markets.

Recent significant experience includes advising:

Macquarie Airfinance on the acquisition of an aircraft operating lease portfolio from AWAS Aviation Capital Limited.

Morgan Stanley – NAS EETC in the first EETC by an Irish airline.

Mizuho Securities on a USD\$709m aircraft securitisation transaction with Labrador Aviation Finance Limited.

Aviation Capital Group in connection with the establishment of an aircraft leasing joint venture.

ASL Aviation on the acquisition of Farnair Group.

ICBC Financial Leasing Co. Ltd. on a transaction to list US Ex-Im Bank backed notes on the Irish Stock Exchange in connection with the acquisition of two new Boeing 777 aircraft.

Air Lease Corporation on a joint venture with a co-investment vehicle arranged by Napier Park Global Capital (US) L.P. to invest and lease commercial aircraft.

DVB Bank SE on a USD\$650m aircraft securitisation transaction.

CarVal Investors on the acquisition of Aergo Capital.

Goldman Sachs on a USD\$540m asset backed secured term loan transaction.

Elix Aviation Capital establishment and portfolio financing.

US, Japanese and Chinese lessors (including Merx Aviation, ICBC Leasing and MCAP Europe) on the establishment and financing of aircraft and helicopter leasing platforms in Ireland.

Aircraft and helicopter lessors on Irish listed Ex-Im bond issuances, asset backed securitisations and other capital markets products.

Major lessors on the establishment, operation and financing of Irish leasing subsidiaries.

Key international banks and arrangers on financing pre-delivery payments, aircraft and helicopters.

Private equity firms on the establishment of Section 110 aircraft platforms and acquisition of existing leasing platforms.

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