

AIRCRAFT SPV ADMINISTRATION

Ocorian is a leading provider of independent fiduciary services with offices in key financial centres - Jersey, Guernsey, London, Dublin, Mauritius, Singapore, Luxembourg and Cayman. With almost 300 employees, Ocorian has a track record of working with world class institutions, corporate clients, intermediaries and high-net-worth individuals.

ABOUT OCORIAN

Based in Dublin, Ocorian (Ireland) Limited is a specialist corporate service provider focused on the domicile and administration of all types of funding structures used in aircraft finance, securitisation, corporate debt funding, holding companies and cross border structures.

Our aviation team have many years' experience dealing with all types of structures including lease in/lease out "LILO", Export Credit Agencies, backed loans, finance leases, operating leases both dry and wet and the S110 Aircraft Finance regime which allows a Tax efficient structure similar for other capital markets and securitisation structures.

Ireland is recognised as a major aircraft finance centre and continues to be a significant jurisdiction of choice for cross border leasing. Many of the top 50 aircraft leasing companies use Irish corporate service providers to administer their Special Purpose Vehicles ("SPVs") and to assist smaller lessors establish a presence in these jurisdictions.

MAIN BENEFITS OF SPV STRUCTURES

- Ownership can be by lender, airline, lessor or charity ("orphan SPVs")
- Third party liability protection
- Bankruptcy remoteness
- Tax neutrality
- Ease of transfer
- Lender acquires ownership and security

KEY SERVICES PROVIDED INCLUDE:

- Company Formation
- Irish Resident Directors
- Registered Office
- Share Trustee
- Nominee Shareholders
- Preparation of SPV Management Accounts
- Preparation of SPV Financial Statements
- Invoicing and Credit Control
- Payroll Services
- Company Secretary
- Cash Management
- Process Agent
- Aircraft Registry Agent
- Administration of Tax Filings
- Filing of Regulatory Returns
- Liquidations
- Security Trustee

Ocorian also provides a comprehensive aircraft leasing management outsourcing service which includes all of the above services together with dedicated employees and office space. This service is ideal for small to medium sized aircraft lessors seeking to establish and maintain a presence in Ireland.

WHY CHOOSE OCORIAN?

At Ocorian we offer an efficient and competitively priced service with a dedicated team of professionals assigned to service your SPV or subsidiary. Ocorian has extensive industry experience as a fiduciary service provider and has close working relationships established with clients, intermediaries and local regulatory and governing authorities which greatly assists in the life cycle management of any SPV or subsidiary.

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The Irish Stock Exchange is the largest European exchange for the listing of asset backed securities. It is also known for its efficient and speedy response time for applications to list.

All of our corporate services are provided under one roof in Dublin's financial district ensuring that all functions are executed in a timely and efficient manner, earning us a reputation of delivering a cost effective high quality service.

WHY CHOOSE IRELAND FOR YOUR AIRCRAFT SPV?

- A Corporate tax rate of 12.5% on trading profits.
- No Irish withholding tax on aircraft lease rentals and on interest payments and distributions.
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- Special S110 tax legislation regime for financing structures allowing the use of profit participating notes.
- Capital gains tax exemption on the disposal of substantial shareholdings in subsidiaries subject to certain conditions.
- For aircraft leasing an effective 0% rated VAT regime, i.e. no Irish VAT on the lease rentals with full recovery of VAT on costs related to the aircraft leasing business.
- Stamp duty exemption for the sale/mortgage of the aircraft.
- Tax depreciation over 8 years together with a special S80A regime for assets with a shorter economic life than 8 years.
- No thin capitisation rules so entities can be leveraged.

OTHER NON FISCAL ADVANTAGES INCLUDE:

- The international registry of mobile assets (including aircraft) under the Cape Town Convention is located in Dublin.
- The Irish aircraft register has developed an international reputation for high regulatory and safety standards and is regulated by the European Aviation Safety Agency (EASA).
- Well regulated centre in relation to corporate governance and recognised by the G20 and the OECD as being in the top tier of co-operative jurisdictions.
- Common law jurisdiction with laws relating to concepts of legal and equitable title similar to those of English law which typically governs aircraft leasing arrangements.
- The Irish Stock Exchange is the largest European exchange for the listing of asset backed securities. It is also known for its efficient and speedy response time for applications to list.

IRELAND AND ITS DOUBLE TAXATION TREATIES

Aircraft finance structures are by their nature typically cross border structures. Aircraft finance structures located in Ireland benefit from Ireland's comprehensive network of DTTs with, currently, 72 countries of which 70 are in effect. The text of Ireland's various DTTs together with a commentary on developments to expand this network is available on the Irish Revenue website at <http://www.revenue.ie/en/practitioner/law/tax-treaties.html>

SOME RECENT TRANSACTIONS

- 11 ECA Backed A320 Aircraft transaction using an Irish orphan SPV to own the aircraft and lease through finance lease to Indian Airline.
- 15 ECA A320 Aircraft transaction using Irish SPV's to own the aircraft and lease through finance lease to South American Airline - **Voted Regional Jet/Turboprop Airfinance Deal of the Year 2014.**
- Finance structuring of 4 A320-214s for large Institution with finance leases onto Spanish Lessor.
- Private Equity finance structure involving 10 B737s using 2 Orphan SPV Structures to lease to Irish Airline.
- Finance structuring of 3 Boeing 777-300ERs through Irish SPVs to UAE Airline.

KEY CONTACTS

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