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**Post Brexit, Operators of Permanently-Imported**

**Aircraft Explore Options**

**By Jessica Pownell**

Though many Brexit-related issues remain unresolved, the United Kingdom and the European Union reached a deal on December 24, 2020, making the UK’s Brexit official but narrowly avoiding a “no-deal” Brexit (the hardest of all Brexit possibilities).

Unfortunately for corporate and other private aircraft operators, however, as of January 1, 2021, aircraft previously permanently imported into the United Kingdom are no longer automatically imported with “free circulation” in the European Union (and vice versa in the UK for aircraft permanently imported into any EU country).

Such operators faced a similar change in 2011, when the UK amended its laws to essentially allow only those aircraft that are operated by an airline “for reward on chiefly international routes” to be permanently imported at a 0% Value Added Tax (VAT) rate. At that time, however, all aircraft that had been imported under the prior law (which law had permitted all aircraft over eight metric tons (17,650 pounds) Maximum Takeoff Weight (MTOW) to be imported at a 0% VAT rate) were automatically “grandfathered” and, therefore, maintained their permanent importation status in both the UK and EU. This time, though, it appears that UK-imported aircraft and EU-imported aircraft will not be automatically “grandfathered” into the other jurisdiction.

Nevertheless, various options exist, including Temporary Admission; indeed, Temporary Admission continues to work well for many qualifying operators. The UK and the EU will each have their own protocols for Temporary Admission going forward, but their substantive Temporary Admission requirements will likely be essentially the same.

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