

Number 034
14 September 2018
Version 2
Pages 2

Demonstration Flights

Introduction

The Isle of Man Aircraft Registry (IOMAR) recognises that there are occasions where aircraft owners/operators have a valid need to conduct demonstration flights for the potential sale or lease of an aircraft. It is also recognised that it is generally the corporate aviation industry norm for the actual costs of such demonstration flights to be borne by the potential aircraft buyer/lessee.

Article 11 of the Air Navigation (Isle of Man) Order 2015¹ ("the Order") currently prohibits an aircraft registered in the Isle of Man from flying on a flight for the purpose of commercial air transport or aerial work and defines aerial work as:

"a purpose, other than commercial air transport, for which an aircraft is flown if valuable consideration is given or promised for the flight or the purpose of the flight."

To ensure that legitimate demonstration flights with appropriate cost recovery can be permitted, the IOMAR has introduced a new exemption process and has defined the actual costs that may be recovered within an appropriately robust regulatory framework. This will ensure that the flight is legal.

This process is not applicable for:

- demonstration flights where the costs are borne by the current aircraft owner/operator;
- flights connected to the sale or lease of an aircraft other than for demonstration to a potential aircraft buyer/lessee, e.g. for the purpose of pre-purchase inspection or to deliver to a closing location.

Requests to Conduct Demonstration Flights Where Costs are to be Recovered

Aircraft operators of Isle of Man registered aircraft that have an imminent need to conduct demonstration flights where the costs are to be borne by the potential aircraft buyer/lessee should contact the IOMAR to request permission for this activity. The request should be initially made by email to aircraft@gov.im specifying the circumstances and duration of the proposed demonstration flight(s). This will enable the IOMAR to assess the request and to discuss the requirement further with the aircraft operator.

For aircraft that are registered with us specifically for the period that the aircraft is awaiting a commercial lease arrangement (known as a 'parked airliner'), the Registry will routinely address the demonstration flight requirement with the aircraft owner/operator at the point of registration to identify any exemption requirements. The Registry has also made direct contact with the registered owners/operators of currently registered 'parked airliners' to establish their exemption needs.

¹ SI 2015 No 870 as amended by SI 2016 No 155

Permission and Conditions for Cost Recovery of Demonstration Flights

Subject to the IOMAR being satisfied with the applicants need, permission for the activity will be granted in the form of an exemption from Article 11 of the Order. The exemption will specify the following conditions:

- (a) That no charge is made except for the actual costs for the specific demonstration flight and any required positioning flight, limited to no more than 100% of the following:
 - (1) Fuel, oil, lubricants and other additives.
 - (2) Flight crew remuneration.
 - (3) Travel expenses of the crew, including food, lodging and ground transportation.
 - (4) Hangar, parking and ground handling costs away from the aircraft's base of operation.
 - (5) Insurance obtained for the specific flight.
 - (6) Landing fees, airport taxes and similar assessments.
 - (7) Customs charges, foreign permit and similar fees directly related to the flight.
 - (8) In-flight food and beverages.
 - (9) Passenger ground transportation.
 - (10) Flight planning and weather contract services.
 - (11) Air navigation service charges.

Note: The specification of an hourly direct operating cost (DOC) rate is an acceptable means of compliance subject to the DOC rate being no greater than 100% of the above costs.

- (b) Operational command and control of the aircraft and crew shall remain with the aircraft operator.
- (c) The aircraft insurance shall cover a demonstration flight.
- (d) Records of the charges levied for the demonstration flight(s) are to be retained by the aircraft operator and these shall be provided to the IOMAR if so requested.

Aircraft operators are reminded that in accordance with current regulatory requirements in the Order, a passenger manifest and a journey log shall be maintained and the aircraft operator must provide these to the IOMAR if requested.

Next Steps

Registry Publication 4 (Guidance to Operators) will be updated in due course to include information for demonstration flights.

The IOMAR is currently in the process of drafting a replacement for the Order which will include content on demonstration flights.