

March 31, 1983

Mr. K. Funahashi
General Manager
Aircraft Department
Orient Leasing Co., Ltd.
World Trade Center Building
Hamamatsu-Cho, Minato-Ku, Tokyo, Japan

Dear Mr. Funahashi:

Thank you for your letter dated March 15, 1983, addressed to the FAA Aircraft Registry.

It appears from your letter that you are concerned with the aircraft registration requirements in the United States. Therefore, I am enclosing a copy of Part 47 of the Federal Aviation Regulations pertaining to aircraft registration.

Your first paragraph relates to U.S. registration by foreign companies. As discussed in Sections 47.2 and 47.3 of Part 47, an aircraft is eligible for U.S. registration if owned by a U.S. citizen, which may include a corporation defined in Section 47.2 under "U.S. citizen" (3).

Additionally, a corporation which does business in the United States but is not a citizen of the United States may qualify to register an aircraft if the aircraft is based and primarily used in the United States. See Sec. 47.3(a) citing Section 501(b)(ii) of the Federal Aviation Act. The criteria for determining whether an aircraft is primarily used in the United States are set out in Section 47.9(b).

You next inquire into legal aspects of leasing. Generally speaking there are no regulations prohibiting the leasing of aircraft. However, regardless of the nature and parties to the lease, U.S. registration will continue unless invalidated by a circumstance described in Section 47.41. While the aircraft is still U.S. registered or while the aircraft is operated within the United States, most of the Federal Aviation Regulations would apply.

With respect to the leasing of a U.S. registered large civil aircraft, the Truth in Leasing requirements of Sec. 91.54 (copy enclosed) would have to be met.

You next ask about the effect of a foreigner purchasing a U.S. aircraft and registering it in his own country. Such an act would invalidate the U.S. registration under Sec. 47.41(a)(1) and (4). In that regard "his title" would not be "on FAA record." In any event Section 501(f) of the Federal Aviation Act specifies that "Registration shall not be evidence of ownership of aircraft in any proceedings in which such ownership by a particular person is, or may be, in issue."

Your question about the leasing income subject to U.S. tax is not within our area of expertise and we regret that we cannot advise you.

Your next ask whether FAA differentiates between size of aircraft for registration or recordation purposes. We do not.

Your final question relates to operation of foreign registered aircraft (U.K. or Japanese) within the United States. Such operations may be authorized subject to the requirements of Sec. 1108(b) of the Federal Aviation Act, Sec. 91.28 of the Federal Aviation Regulations, and Part 375 of the Special Regulations of the Civil Aeronautics Board, all of which are enclosed.

I hope I have helped to answer your questions about registration. If you have any specific questions about the impact of international treaties on aircraft operations, I would recommend that you write to Mr. John Stewart, Assistant Chief Counsel (AGC-7), Federal Aviation Administration, 800 Independence Avenue, S.W., Washington, D.C. 20591.

Sincerely,

Original signed by:
Joseph R. Standell

Joseph R. Standell
Aeronautical Center Counsel

Enclosures
As stated

bcc:
AGC-7
AAC-200