

**Response to a Question Pursuant to Rule 14
of the Rules of Procedures of the States of Deliberation and their Committees**

Subject: Airbus A340 aircraft registered on 2-REG

States Member: Deputy Le Tissier

Date Received: 23rd January 2023

Date acknowledged: 23rd January 2023

Date of reply: by Friday 10th February 2023 (within 15 clear working days of receipt of question)

Question and Response

It has recently been reported in the national and international media that 4 Airbus A340 jetliners with an estimated value of many millions of pounds that were registered on 2REG have been transferred out to another party who has by subterfuge arranged to sell them to Iran breaking United Nations sanctions as well as UK and Guernsey sanctions. Allegedly the aircraft using a false (obsolete) flight code 2-R filed a flight plan from South Africa where they were stored to Uzbekistan. While transiting Iran, the aircraft disappeared from secondary radar and landed in Tehran, Iran.

There is therefore a possibility that 2REG and by association Guernsey may see reputational damage or unfavourable comments amongst owners and other regulators because of the prior involvement of 2REG which may lead to a loss of business to 2REG and the Island. Therefore, please would the committee answer the following questions.

1. Is 2REG aware of this transaction and the ultimate destination of the aircraft and do they have any comment?
2. What due diligence, sanctions compliance, and anti-money laundering procedures does 2REG have in place to monitor new registrants, transfers to registrants off register and continued monitoring of its client base?
3. Have these procedures been tested and audited?
4. Were all procedures followed in this case? If not, why not.
5. Does 2REG consider it has robust and compliant systems in place in the present context?
6. Is it intended to carry out a compliance review of all registered owners along similar lines to the guidelines established by the Guernsey Financial Services Commission for financial services in view of this transaction?
7. Is 2REG continuing to accept business from that source/registrant?

Answer

The Guernsey Aircraft Registry (2-REG) always ensures that due diligence is properly completed prior to any aircraft being registered.

In accordance with the Aviation Registry (Guernsey) Law, 2013 only a qualified person may hold an interest in an aircraft or engine registered in Guernsey. A qualified person is defined in the Aviation Registry (Eligibility) Regulations, 2022. These eligibility regulations restrict the nationality of applicants and nationals of sanctioned countries are not permitted to register aircraft. The Guernsey Aircraft Registry is included on the circulation list of new sanctions.

Where a person is not qualified, they may register an aircraft or engine provided that they employ a Guernsey licensed fiduciary to act as a resident agent and complete the necessary enhanced due diligence, sanctions and anti-money laundering checks as prescribed by the Guernsey Financial Services Commission.

With regard to the four Airbus A340 jetliners referred to in the question, they were historically registered on the Guernsey Aircraft Registry (2-REG) but were not on 2-REG when they travelled to, arrived in, or were in any other way connected to Iran. Accordingly the Guernsey Aircraft Registry is not aware of the transaction and has no comment to make on it.