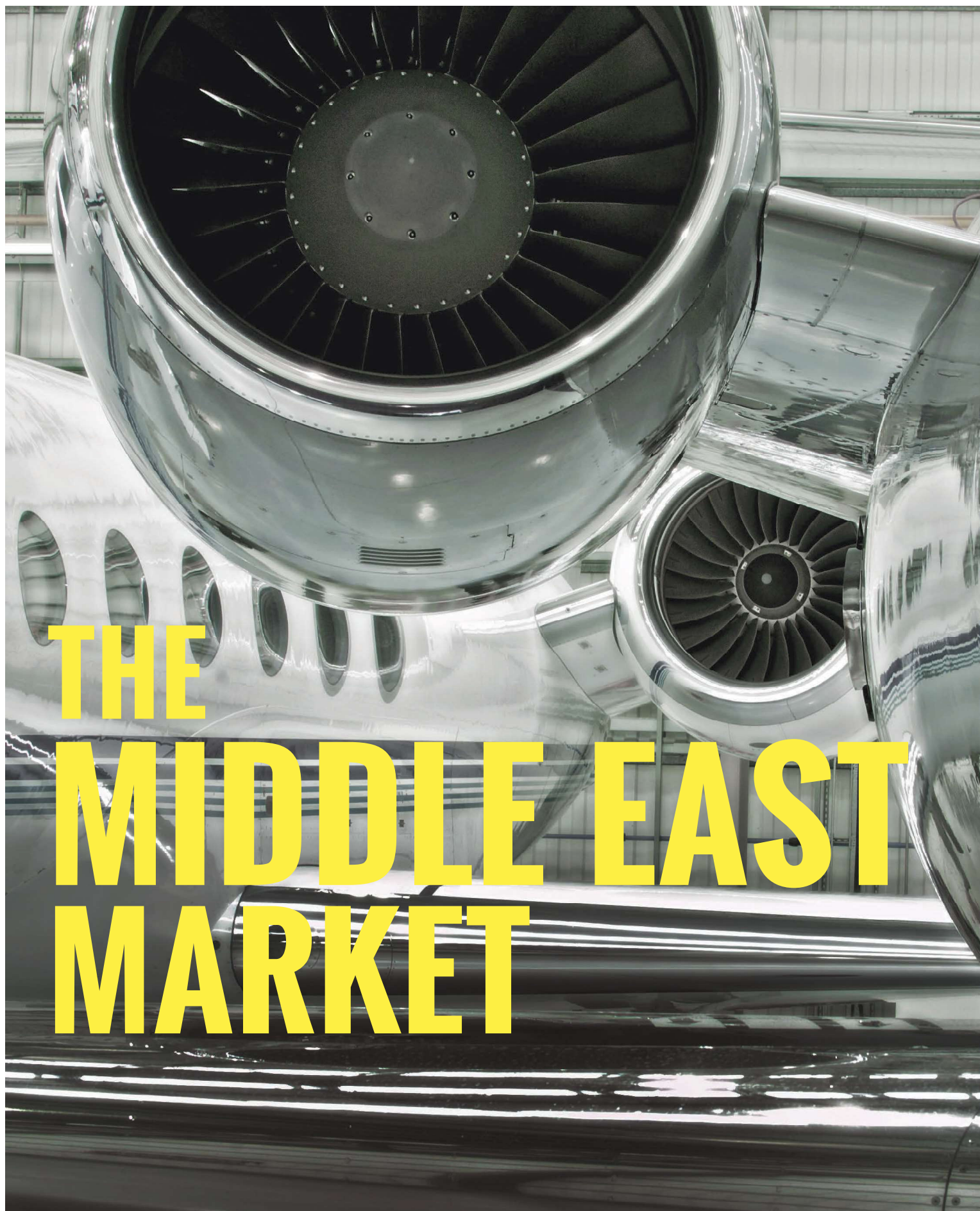




# THE MIDDLE EAST MARKET

Courtesy of Richard Seymour



# 5 TIPS FOR BUYING AND SELLING AIRCRAFT

The Middle East is a major driver of Business Aviation, offering a significant and growing market for operators worldwide, but presenting unique challenges and opportunities in aircraft acquisitions. Gerrard Cowan learns more...

From the perspective of Paras P. Dhamecha, Founder & Managing Director of Empire Aviation Group, the Middle East Business Aviation market is extremely active and buoyant, with several trends driving growth.

The UAE, for example, has a large and growing population of high-net-worth individuals, with companies relocating to the country and driving additional demand for private aviation.

"Saudi Arabia is rapidly diversifying its economy and opening up more sectors and attracting more Foreign Direct Investment (FDI) and foreign operations, so we are seeing a steep demand for Business Aviation services in the Kingdom, too," Dhamecha adds.

The market has shown "remarkable momentum in Business Aviation" in recent years, Gökçehan Dace, Managing Partner, MENA region at GJM Aero concurs.

In such a diverse region, demand will naturally vary though. The Gulf States – notably Saudi Arabia, the UAE and Qatar – dominate demand for Ultra-Long-Range Jets, such as the Gulfstream G650/G700, Bombardier Global 7500 and Dassault Falcon 8X, he says.

In Turkey, by contrast, there has been a surge in demand for the Large Cabin Gulfstream GIV/GIV-

SP, Dace adds, while the Mid-Size Hawker 750/800/850/900 series has also gained significant traction.

So, there's clearly an active market for business aircraft across different categories – but what should buyers and sellers keep in mind when they do business in the region?

## 1 Respect Cultural Differences & Build Relationships

For Dace, it's vital to keep cultural factors in mind when buying or selling aircraft from or to the Middle East. "Here, a business jet is more than just a means of transportation – it is closely tied to prestige and the way business is conducted," he explains.

"Decision making in the Middle East often goes beyond technical or financial considerations. Family and dynasty influences can play a central role, with trust and reputation sometimes outweighing pure numbers."

This means it's vital to build trust first, he adds. Deals rarely close on the first meeting, and "without a foundation of trust, progress is difficult."

Indeed, Michael Hoby Andersen, a Partner at ALTEA, says the relationship-driven nature of doing business in the region is one of its most distinctive features. Trust, discretion and longstanding networks often outweigh purely transactional negotiations.

"Many deals in the Middle East happen off-market and require personal introductions or established intermediaries. Buyers should be prepared to work through trusted advisors who already have access to these circles," Andersen recommends.

Because personal relationships, reputations and mutual trust are important, be prepared to invest time in hospitality and be patient in negotiations, Allan Stanton, Founder of Stanton & Partners Aviation adds. This is in contrast to other regions, where a direct approach is more common and decisions are often made quickly, sometimes at the expense of the parties' relationship.

"Understand the local landscape and what is driving the person you are dealing with. Like in every region of the world, not every country in the Middle East is the same and not every person in that country is the same," Stanton highlights.

## 2 Research the Regulatory Environment

Since many aircraft are operated by royal families, state-owned entities, or corporations tied to government interests, transactions can involve regulatory requirements, approvals and political sensitivities that typically aren't present in Europe or the US, notes Andersen. ➔ page 34

"This can mean longer timelines, additional documentation, and a need for local legal expertise."

Stanton says it's also important to conduct thorough due diligence and obtain local advice from relevant experts on matters like aviation authority regulations, customs issues, security clearances and applicable taxes. "If you are not well prepared on such issues, it can be difficult to find quick solutions, so make sure you have identified any relevant issues in advance, and deal with potential pitfalls before they arise."

Tristan Brouard, Associate VP, Asset Management at ACC Aviation, notes that beneficial ownership and anti-money laundering checks are far more tightly enforced today than even a few years ago, with authorities in the UAE and Saudi Arabia requiring detailed disclosures that can extend transaction deadlines.

The region's unique climate can also impact the process. For example, the desert climate accelerates wear on engines and avionics through sand and heat exposure, making borescope inspections, corrosion checks and full logbook audits non-negotiable parts of the pre-purchase process.

Buyers must be disciplined in demanding comprehensive pre-purchase inspections, Brouard warns. Similarly, logbooks and records should be closely scrutinised. To protect themselves, buyers should work with advisors to draw up defined structures, targets and contracts when conducting transactions.

Brouard highlights that the most common pitfalls his company sees are underestimating indirect tax exposure, accepting incomplete maintenance evidence, and ignoring the extended timelines associated with strict compliance regulations.

"Conversely, buyers who approach Middle Eastern aircraft transactions with thorough preparation and expertise at their side stand to benefit from some of the most attractive opportunities," he assures.

**3** **Get up to Speed on Finances**  
While escrow is becoming more widely used, Middle Eastern buyers still generally prefer direct payments, says Dace, and it's also important to be mindful of tax



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*Without a foundation of trust,  
progress is difficult...*

differences. "Each country has its own framework," he continues. "In Turkey, for example, VAT exemptions apply only to operator companies, not to individual buyers."

Brouard echoes this point, noting that country-specific VAT and customs rules must be navigated. As an example, while the UAE applies VAT with specific aviation exemptions, Saudi Arabia has stricter VAT requirements at higher rates, while Qatar is yet to implement VAT.

Buyers should also be aware that Sharia-compliant structures – such as Ijarah-based leases – are increasingly available and can offer competitive alternatives to conventional debt when working with regional banks, Brouard adds.

Andersen agrees, noting that buyers must work to understand these Sharia-compliant financing solutions. "Buyers should ensure they understand these frameworks and, if necessary, partner with financiers familiar with Islamic finance," he advises.

"Additionally, cash-rich transactions are more common, with financing less prevalent than in Europe, North America or Asia."

Multiple intermediaries are often involved in transactions and aircraft may be marketed by several brokers, which can lead to variation in price quotes, says Andersen. "Meanwhile, export controls, local registration requirements, and financing structures can complicate deals."

Meanwhile, many Middle East aircraft owners structure their ownership through special purpose vehicles (SPVs) to mitigate VAT exposure, notes Mark Butler, CEO of Action Aviation. "It is not uncommon for jets to be based in free zones, such as Dubai South.

"The region is characterized by a cash-heavy culture; while financing options do exist, they are less prevalent than in the US," he reiterates.

## **4** Build Awareness of Aircraft Needs and Demands

The Middle East market is attractive to buyers because of the excellent condition of pre-owned aircraft, according to Andersen, which are typically maintained to the highest standard, often under manufacturer service programs.

"Many aircraft are operated by ➔ page 38

governments, royal families, or wealthy corporations who have the resources to ensure meticulous care of their assets," he explains. "Moreover, owners can rotate their fleets more frequently, leading to relatively young pre-owned aircraft entering the market."

The key differentiator between the Middle East and the broader international market is that there is a higher proportion of larger and longer-range business jets with high-quality, bespoke interiors, Stanton adds. "Owners tend to fly out of the region more for business and personal reasons to Asia, Europe and North America and take with them more key advisors or family members, which requires larger jets."

Investment in business aviation infrastructure in the Middle East is increasing, he adds, and there are excellent Fixed-Base Operators (FBOs), maintenance service centres and operators across the region.

However, he highlights that in certain parts of the region this infrastructure is still catching up – so it's important to look at the history of an aircraft based in the Middle East. "In some cases, owners of aircraft in the Middle East maintain their aircraft in Europe to coincide with travel plans, so then that point becomes less relevant," he notes.

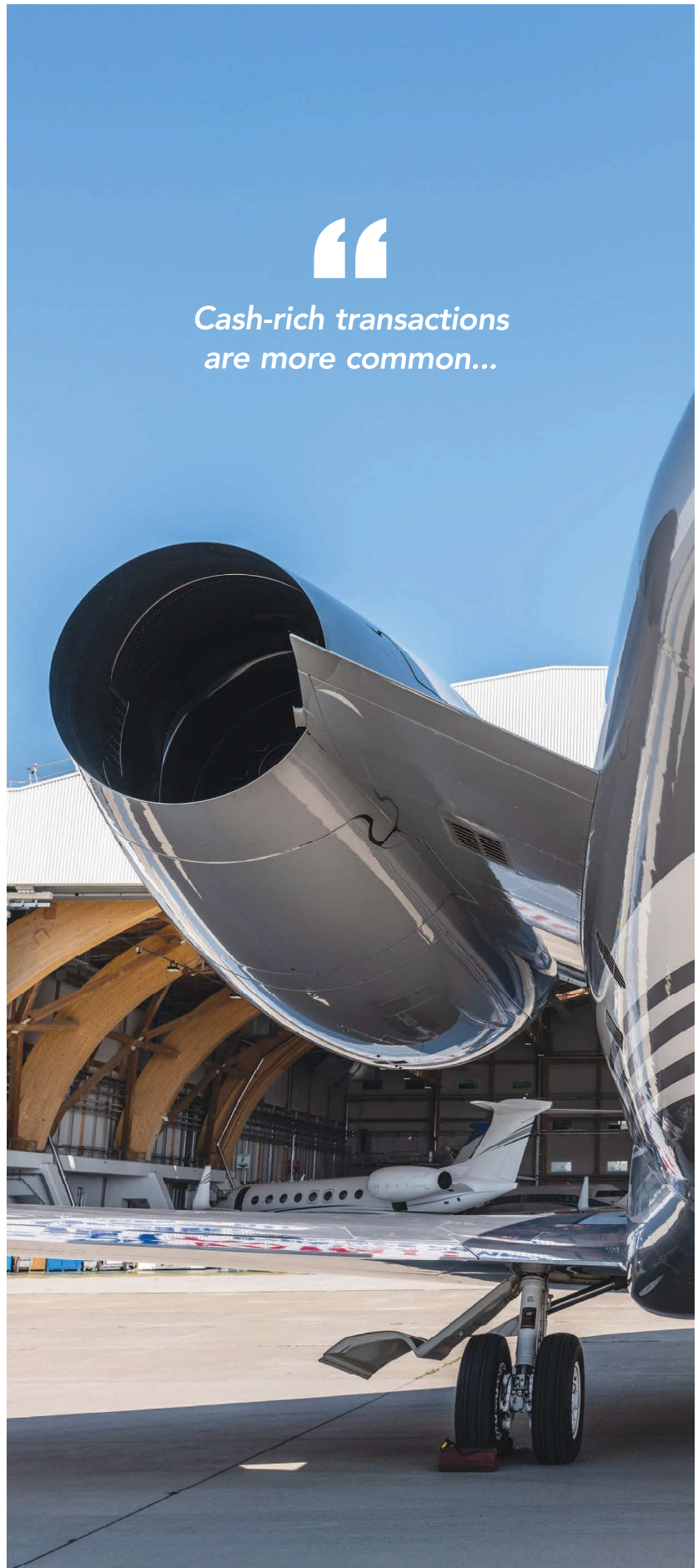
While Butler agrees the region often features high-specification jets with low flight hours, buyers must diligently scrutinize maintenance records and history, considering – for example – whether the aircraft has spent extended periods on the ground in hot and humid conditions.

The hot weather impacts the performances of the aircraft during summertime and requires some specific APUs, Butler advises.

"Furthermore, resale value should be accounted for, as specific VIP interiors may pose challenges when the buyer decides to sell the jet internationally. It is important to note that a luxurious interior may not always translate into a higher resale value."

Brouard notes that the market is more sensitive to geopolitical volatility than its counterparts in Europe and North America, with regional tensions occasionally depressing flying activity or shifting demand in unexpected ways. For buyers, this means excellent access to premium aircraft, but often with higher exposure to short-term market swings.

"ACC recommends the Middle East market for well-positioned buyers seeking large, long-range aircraft," he adds. "A significant proportion of the fleet in the Gulf is made up of high-value jets that are well maintained under professional management programs, creating opportunities when owners upgrade or operators refresh fleets." ➔



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*Cash-rich transactions  
are more common...*

Courtesy of Richard Seymour

**5** Keep an Eye on the Global Picture  
Given this unique combination of cultural, business and regulatory demands, it's vital for aircraft buyers and sellers to engage with brokers who have an understanding of the local market, notes Butler.

"An understanding of the local market, coupled with the ability to benchmark Middle Eastern prices against international standards, is essential," he elaborates. "Additionally, structuring the deal intelligently and conducting thorough pre-purchase inspections are critical components of the process."

Still, Business Aviation is a global market, Stanton adds, so the key aspects of doing business in the Middle East apply just as equally internationally – in areas like aircraft certification, for instance.

"All of the region's key hubs do business on a global scale, so buyers are not likely to be surprised by how business is done in the Middle East (and neither are sellers likely to be surprised by how business is done internationally)."

In fact, Dhamecha stresses that in many ways the Middle East is no different to other major Business Aviation markets, so there should be no issues or concerns for anyone buying and selling in the region. There are of course some differences, he notes, centering around aircraft registration in some countries, for example.

Still, overall many of the same approaches apply that are prevalent in buying and selling aircraft in other major markets around the globe. "There may be an anticipation for transactions to become complex and challenging, but from our own experience of more than 20 years in the region, the Middle East is advanced," he assures.

"It's a great place to transact." ■

#### More information from:

**ACC Aviation:** <https://accaviation.com>

**Action Aviation:** [www.actionaviation.com](http://www.actionaviation.com)

**ALTEA:** <https://alte-aero.com>

**Empire Aviation Group:** <https://empireaviation.com>

**GJM Aero:** <https://gjm.aero>

**Stanton & Partners Aviation:** [www.stantonaviation.com](http://www.stantonaviation.com)



**GERRARD COWAN**  
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## // PRESS RELEASE

# GLOBAL AIRCRAFT DEALERS ASSOCIATION LAUNCHES BROKER TRAINING PROGRAM

The Global Aircraft Dealers Association (GLADA) has announced the launch of its comprehensive Broker Training Program, designed to elevate standards of professionalism, knowledge, and ethical conduct across the aircraft sales industry.

**D**eveloped by GLADA's Education Committee, the new training program is intended to serve both new and experienced brokers by offering foundational and advanced education on all key aspects of the aircraft transaction process. The program went live in October.

The first phase includes modular content covering critical topics such as:

- Best Practices and Ethics
- Letters of Intent and Aircraft Purchase Agreements
- Pre-Purchase Inspections
- Import/Export Procedures
- Escrow Processes
- Closing the Transaction

Each module serves as both a training resource and a reference guide, complete with summaries, key considerations, and checklists where applicable. Modules are accessible through the GLADA member portal and are designed to be flexible, allowing participants to complete them at their own pace.

To ensure comprehension, each module will include a testing component. New broker members will have one year from joining GLADA to complete the program and pass the exam, at which point they will earn a Certificate of Accreditation from GLADA. Existing members may also participate voluntarily to obtain the accreditation.

"This training initiative is a significant step toward strengthening professionalism and consistency across our industry," said Mike McCracken, Chair of GLADA's Education Committee. "We are confident it will be a valuable tool for new entrants and seasoned brokers alike."

GLADA envisions the program as a dynamic, evolving resource. As the industry continues to develop with changing regulations, shifting market conditions, and emerging best practices, GLADA says it will continue to expand the curriculum to ensure its members remain informed and prepared. ■

**More information from [www.glada.aero](http://www.glada.aero)**