The **Debrief**

Flying a Foreign Business Jet to Russia Becomes Cheaper but More Complicated

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Important changes have recently been made to the customs and aviation regulations relating to the operation of foreign business jets in Russia.¹

Customs exemptions extend to business jets with basic empty weight of up to

28 tons. Since 2011, business jets that have 19 or fewer passenger seats and basic empty weight between 2 and 20 tons have enjoyed full conditional exemption from customs

Debevoise & Plimpton duty and import VAT when flying into Russia. After June 8, 2019, the exemption will also apply to business jets with basic empty weight of up to 28 tons. For example, based on information available to us, this exemption should become available for popular larger business jets such as the Gulfstream G550/G650 and the Bombardier Global 6000.

As before, the exemption will be available for aircraft used for noncommercial and unscheduled flights within the Eurasian Economic Union (EAEU)² and owned by non-EAEU persons. Aircraft benefitting from the exemption may remain within the EAEU under the temporary import regime for no longer than 30 days at a time and 180 days cumulatively in a calendar year.

The procedure for foreign business jet operators to obtain flight permits to fly in Russia remains in force. The regulations adopted in connection with the 2018 FIFA World Cup and governing operation of foreign business jets to, from and within Russia were set to expire on June 1, 2019. On May 27, 2019, this expiry date was abolished, and the regulations now apply indefinitely.

Foreign operators wishing to carry passengers on aircraft with up to 20 passenger seats in Russia are now obliged to first offer the opportunity to conduct such flights to Russian operators. A permit to fly in Russia will not be granted to a foreign operator if any Russian business jet operator confirms its willingness to conduct the respective flight. The list of Russian business jet operators that are entitled to such right of first

¹ For background, see <u>an article</u> authored by Dmitry A. Karamyslov, Dmitry S. Stakheev and Tamara S. Kulyk.

² EAEU comprises Russia, Belarus, Armenia, Kyrgyzstan and Kazakhstan.

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refusal has yet to be published on the Rosaviatsiya³ website. Previously, this right of first refusal only applied to aircraft with more than 20 passenger seats.

As before, the right of first refusal will not arise for Russian operators in relation to flights scheduled for the private use of a foreign operator or the owner of the relevant aircraft (i.e., where there is no carriage for reward such as a charter or carriage agreement). It is unclear, however, how to prove the purpose of a flight. This potentially gives the Russian authorities a wide discretion in granting or refusing flight permits.

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