Typical steps in an aircraft transaction

1. Choose your broker/dealer/transaction adviser- they should easily save you more money than their fee. The same is true for a specialist aviation lawyer.
2. Select an aircraft to match your needs/view aircraft
3. Make an offer/agree Letter of Intent (long form vs short-form, standard versus bespoke)
4. Legal counsel review transaction structure and assess tax issues
5. Deposit placed in escrow (negotiate terms of release)
6. Buyer’s lawyer/buyer negotiates finance term sheet with financiers
7. Buyer's lawyer conducts due diligence on title, searches for liens etc
8. Start negotiating the Aircraft Purchase Agreement and who pays what
9. Aircraft Purchase Agreement signed
10. Log book review by buyer’s technical team, check back-to-birth records
11. Appraisal for finance (if required)
12. Test flight/re-location flight – who is paying for this in Aircraft Purchase Agreement
13. Pre-purchase inspection
14. Finance documents reviewed
15. Sale document drafting starts
16. Tax advisers determine structure and importation route (if required)
17. Decision on aircraft registration, ownership structure (may require specialist counsel)
18. Choose operator if needed
19. Legal opinions on different jurisdictions requested
20. Seller rectifies discrepancies from pre-purchase inspection/negotiates changes or buyers walks away
21. Buyer reserves registration number
22. Export certificates, certificate of airworthiness
23. Final documentation review
24. Assignment of Maintenance Plans
25. Final closing points agreed
26. Insurance arranged
27. Liens and discharges
28. Money wired to escrow by financier/buyer
29. Ferry flight
30. Tax ruling opinions issued (depending on jurisdiction)
31. Seller de-registers aircraft
32. Closing call
33. Signing
34. Escrow agent receive proof of de-registration
35. Agent files bill of sale, registration application
36. Liens filed with International registry (Cape Town)
37. Registration – in US FAA issues flight wire
38. Importation of aircraft (if required)
39. Miscellaneous bills settled – satellite communications, maintenance programmes
40. Protect asset value – hangar, engine covers etc – ready for when the aircraft is sold