

What to Consider When Buying a Private Jet



premium  et

Index

Introduction	3
The advantages of private jets	4
Travel time is working time	4
Travel flexibility	4
Less stress, higher productivity	4
Protected privacy	4
Acquisition, Jet Card or Charter?	5
On-Demand Charter	5
Jet Cards	5
Fractional ownership	5
Full ownership	6
What to consider when buying a private jet	7
Requirements related to the jet	7
Costs of acquiring and operating private jets	7
Financing	7
Sales tax and import	8
Registration of the Jet	8
Suitable advice	8
Suitable operator	8
Conclusion	11
About Premium Jet AG	12

„Our know-how - your advantage. Our highly experienced professionals are delighted to share their know-how with you. With this e-book you will learn what you have to consider when buying an aircraft.“

Peter Hartmann
CEO, Premium Jet AG.

Introduction

With an increasing complexity of day-to-day business and company branches that are far away from each other, the expectations for business trips constantly increase as well. By relying on scheduled flights, however, you are barely able to meet those expectations anymore. Especially if the destination is not in close proximity to a large airport and further transport on the ground via taxi or limousine is necessary.

Furthermore, the waiting period at terminals wastes precious hours that could otherwise be spent more effectively - whether it is to work or to relax in order to get to the next meeting well-rested.

Anyone who frequently flies and puts an emphasis on a reliable team which exactly knows your individual needs should consider the acquisition of a private jet. This e-book will show you what you should consider when buying a business jet and which other alternatives there are to acquiring one.



The advantages of private jets

Anyone who has to do a lot of business trips knows the challenge of balancing a tight schedule and a geographically widespread network of subsidiaries, suppliers and clients.

Add long waiting periods at terminals, nosy neighbors on the plane or elaborate further transport via taxi or limousine at your destination to the mix and business trips will quickly become quite annoying. With a private jet, however, you will no longer be exposed to any of those things.

The biggest advantages of owning a private jet are clearly the following:

- saving of time
- flexibility
- higher level of productivity and less stress
- a protected privacy

Travel time is working time

Time is money, so the saying goes. This is especially true for business trips. The time spent at departure halls and at the gate, or with the search of the check-in desk, the baggage check-in and the passport and security controls, can rarely be used productively. Shortening or eliminating those steps altogether, saves you a lot of time and thus also money.

Therefore, a private jet makes sure that you use your flights productively or, in contrast to scheduled flights, that you relax instead of unnecessarily wasting your time at the airport. Flights with their own business jets enable business leaders to use the otherwise unproductive travel time and work longer, discuss projects undisturbed or calmly pre-

pare for the next meeting.

Travel flexibly

With a private jet your travels will not only be faster, but also more flexible. You can approach smaller airports and thus have a wider range of destinations at your disposal than airlines.

If you own your own jet, you also do not have to worry about the schedules of other owners and can always rely on the plane that you chose. So you can be sure of having your exact service and interior.

Less stress, higher productivity

Do you have to make a spontaneous trip to a crisis meeting in London? Not a problem. Just inform your operator, grab your briefcase and you are ready to take off. This means higher productivity and less stress for both you and your assistant in terms of travel planning.

The time on the business jet can already be used for the preparation of the meeting.

Protected privacy

People who travel a lot and want to work on confidential matters are in need of enough privacy. A business jet provides you with exactly that. You decide who will accompany you and thus make sure that confidential information is not leaked.

The operator will of course keep your travel route confidential. For whatever reason you are dependent on a high level of privacy, a private jet offers it.

**PRIVATE JETS:
FLEXIBILITY, PRIVACY
AND MORE FAMILY TIME.**





Acquisition, Jet Card or Charter?

Before you decide on a certain jet, you should also think about alternatives. Although you are less independent with Jet Cards or On-Demand Charters than you would be with your own jet, both of those options also have advantages.

On-Demand Charter

With an On-Demand Charter your travels are the most flexible. You book the most suitable jet for every trip - no matter whether you are travelling on your own or with your whole project team.

As you book the jet on-demand, advance payments for several flights are omitted. Basically, a charter flight resembles a taxi ride you pay immediately before the transport. Additionally, you are not bound to one provider with On-Demand Charters. Thus, with every flight you choose the most suitable jet and the best provider.

Most charter providers offer special conditions for frequent flyers in terms of booking and payment processes. Similar to a Jet Card, the information about the passengers is saved and adopted during future bookings. Furthermore, they also accept advance payments from which the costs are debited after every flight.

Jet Cards

In principle, Jet Cards work like prepaid credit cards. You book a certain contingent of flight hours and pay for those in advance. When flights are booked via this card, they are deducted from your "credit". The period within the flight hours have to be used up is contractually regulated and is usually one year.

As you have to give out your company details, like the billing address or the names of the passengers, only once at the beginning, you can save time with every following individual booking.

Often, a financial incentive is given by reducing the price per flight hour if you book more flight hours in advance. This especially pays off if you know exactly how many hours you will need. However, if you do not know this or if the amount of actually needed flight hours is reduced, the acquisition of a Jet Card resembles a gamble. This is due to the fact that unused flight hours might expire at the end of the contract period.

Fractional ownership

If you choose the option of fractional ownership, you share the business jet with other owners. This means that you also share indirect operating costs as well as all expenses for maintenance and service with them.

The share on the jet can range from 1/16 to 1/4, with 1/16 being equivalent to about 50 hours of flight. The big advantage compared to Jet Cards and On-Demand Charters is in owning your private jet. Although your appointments and that of the other owners have to be coordinated, this is (almost) the only restriction.

A business jet with several fractional owners is normally managed by the operator, who is also in charge of the administrative responsibilities and the crew as well as insurances, liability issues and all other safety aspects.

The costs for the operation of the jet are proportionally transferred to the fractional owners. Therefore, you should not only look at the initial investment costs, but also keep in mind the on-going monthly costs for the administration.

In return, you get the possibility and the right to regularly access the private jet without having to worry about anything.

Full ownership

If you buy a business jet for yourself, you can adjust all aspects, such as equipment, colors etc., to your liking. The jet is always at your disposal and ready for takeoff as short as within 2 hours.

Owning your own private jet also means not having to compromise any longer. The crew knows you and your travel habits and completely adjusts to your wishes. Travelling cannot get anymore comfortable and efficient.

Naturally, the initial investment is far higher than that for a fractional ownership. But as a positive trade-off you get complete flexibility and privacy.

The acquisition of a private jet is especially worthwhile if you are a frequent and regular flyer (about 400 hours a year or more) and if you know in advance which type of jet suits your needs. However, in comparison to On-Demand Charters, you only have access to that one jet in particular.

Should you travel shorter distances on your own or with a small team most of the time, a Light Jet might already be enough for you. Yet if you have to travel a longer distance for a special meeting or want to take a bigger team with you, it could happen that you have to resort to chartering a jet even though you already own one.



Your personal check list for your new private jet.

What to consider when buying a private jet

As soon as you choose to buy a private jet, you again have to decide which type of jet you want and which operator best meets your needs.

The following facts will help you find out for yourself which jet type best suits your interests and how to recognize a good operator.

Of course, this list cannot replace an individual consultation, but it will give you some useful tips.

Requirements related to the jet

Writing down your individual wishes and needs in terms of an own jet brings more structure and clarity into the decision making process.

You do not have to create a complex document, it is enough to just answer the following questions for yourself:

- How often do I fly and where do I travel to?
- What is the flying range I need?

- Are stopovers during a longer flight alright or not?
- How much space should be available for how many passengers?
- How much luggage do I usually bring with me?
- Do I need meeting possibilities on board?
- What special amenities are important to me? (e.g. the possibility to sleep in an actual bed during the night, or having powerful internet on board)
- What is my budget for investment?

Then, you condense the answers to these questions. This way you have a requirement profile which will make your search for a jet a lot easier. If you have an operator or an advisor aside, he will discuss all these questions with you and then create the document.

If there are additional things that are important to you - for example short starting and landing distances in order to also fly to your favorite holiday destination - write them down as well. After all, the jet should not only appeal to your mind but also to your heart.

Costs of acquiring and operating private jets

With a chartered flight the calculation is clear: you ask for a specific flight, receive a transparent offer, and then decide whether taking or refusing it.

Buying a private jet is a different story. Besides the pure operating costs for the private jet, there are

also taxes, fees, insurances and other expenses waiting for you. How high those costs will be depend on which jet you buy and which operator you choose, if you want to use it only for you and your needs or if you want to let others charter it as well.

If you fall back on a financing plan in order to acquire the jet, there will be interest rates.

In addition to the ongoing costs for up-keeping and maintenance work, there are also taxes and depreciations, insurances, the crew and catering as well as fuel and empty leg, so-called ferry flights.

While most of the costs can be calculated quite well in advance, the costs for up-keeping and maintenance can only be predicted to a high but somewhat uncertain degree, which always leaves an unknown element. Especially if the plane is no longer under warranty of the aircraft manufacturer the prediction is difficult.

Financing

Especially the acquisition of a bigger jet is often done through financing. There are about a dozen institutions that offer professional aviation finance. They range from financing of customers to pure asset-based financing.

However, you could also ask the operator for possible alternatives for getting offers. Due to their experience, operators often give you some useful tips, for example which bank offers you the best financing.

Sales tax and import

One of the biggest challenges - besides operating a private jet - are the diverse and increasingly complex tax laws all over Europe.

Everyone flying into or within the EU has to import the jet to the EU and pay the resulting taxes and fees. Non-compliance can lead to the aircraft being confiscated and the taxes being forcibly collected.

Independent from the registration of your jet, you have the possibility to look for a solution together with the operator of your private jet in order to reduce or even avoid the resulting taxes and fees.

The Swiss fees and taxes are significantly lower than those of their European neighbors. If they would be due, a so-called "VAT Ruling" can reduce or even abolish them.

In this case it is important that proper tax and fee experts are involved in the process from the beginning in order to structure the necessary transactions. The additional effort to optimize or avoid import taxes is definitely worth it!

Registration of the jet

Every country - both within and outside of the EU - has its own tax laws. Therefore it is useful to have a closer look at the sales tax rates and the general fees and taxes for private jets.

This is another thing you can inquire from the operator of your jet.

Suitable advice

As already mentioned, it makes sense to be supported by an experienced operator or at least an advisor during the acquisition process. This does not only save time, but also unnecessary frustration.

As operators know the market the best, they will help you find a suitable jet that meets all your expectations. Afterwards, they assist you in finding the right bank and the right type of financing and, after the acquisition, take care of the jet's proper registration.

Ideally, you approach a suitable operator before the purchase and let him advise you, because an operator falls back on his practical experience with different jets - an advisor will not have this kind of experience.

Suitable operator

Finding the right operator for your jet can pose quite a challenge. Already before getting in contact you should think about the services that are important to you. This makes searching and finding the right operator easier.

Part of the traditional services of an operator are, among other things, the maintenance of the jet as well as adopting all administrative tasks - ranging from the registration of the jet and insurances to taxes and the selection of the pilot and the crew.

Prior to the purchase you should get some detailed offers from several providers. Apart from the pure costs, you should also take a look at your personal contact person. As you will entrust the provider with your jet, you will often get in contact with them in the future. Thus, it is important that not only the costs and the service add up, but that the interpersonal relationship is also good.

When you own a private jet you need a trustworthy operator that manages all the organizational stuff. But how do you recognize a good operator whom you can entrust with your jet?

Experience

Certainly, an experienced operator is a plus. But that could also mean that certain things are no longer fully up to date.

Instead you should be looking for an operator having the following characteristics: dynamic, professional appearance, transparency, and the will to listen to problems.

Maybe you know someone in your circle of friends who owns a private jet and could recommend a good operator? It doesn't hurt to ask. Financial institutions, notaries and lawyers also can, in many cases, recommend suitable operators.

**The right advice saves you
good money and spares
your nerves.**



Security

Security is also the highest priority in the field of business aviation. Ask the operator how exactly they meet the high security standards and what else they do to ensure the safety of you and your jet.

Part of this is, for example, whether “your” pilots have the necessary experience, if they regularly train procedures and emergencies in flight simulators, in short: whether they are firm in their trade.

Location

You can be lucky and the suitable operator is stationed at the nearest airport. Even though this would provide a certain level of comfort, it should not be the only criterion.

Rather, it is more important that you are able to reach your goal at any time and that you are satisfied with the service.

Selection and training of the pilot

Flight security completely depends on the pilot. This is why a good operator makes sure that they hire a crew that perfectly suits your needs and re-

quirements.

The investments in regular trainings for critical situations, emergency landings and difficult weather conditions should be just as important to the operator as the regular employment of the pilots. This is the only way that the highest possible level of security can be ensured.

Control systems and infrastructure

When it comes to safety in the air, the infrastructure on the ground is also important. Thus, the operator has to regularly invest in control systems and employees. Part of this are periodical training and continuing education for all the employees that are part of the flight and support services under the umbrella of the so-called Compliance Monitoring (safety and quality system).

Customer service

Customer service is - besides the safety - the most important aspect of business aviation. After all, the flight with your own private jet should not only be faster, but also more comfortable. As with every other service, an eye for detail is important.

Already during the first contact you get a feeling for how important customer service is to the operator. Take a closer look at whether your contact person makes the effort to understand you and your concerns and if they are also willing to fulfill more extraordinary requests.

When you want to work with an operator for several years to come, the customer service should be excellent.

Worldwide service

Not all operators fly to destinations all around the world. Find out in advance which flight routes are possible and which are not. If, for example, you only want to travel within Europe, this aspect is not that important. But do think about whether or not you might want to fly to other destinations somewhere else in the world in the future!

Chemistry, modus operandi and service quality must match.

Insurance management

In order to avoid any unpleasant surprises, the right insurance is an absolute must.

The cheapest option is when the operator includes your private jet to the insurances of their fleet. Those are tailored to the respective needs by suitable cooperating partners and make sure that all legal requirements are met, that the coverage areas are flexible and that the best possible conditions and premiums are warranted.

Transparency

A transparent way of working and the disclosure of all books show that an operator takes their clients seriously and wants to meet them at eye level.

It should be self-evident that the costs for pilot and crew trainings or the expenses for maintenance and up-keeping are disclosed as well, without having to ask for them.

A company policy of "open books" shows that the operator has nothing to hide and that they are able to transparently deal with their numbers



Transparency and safety -
important characteristics
of a good operator.

Conclusion

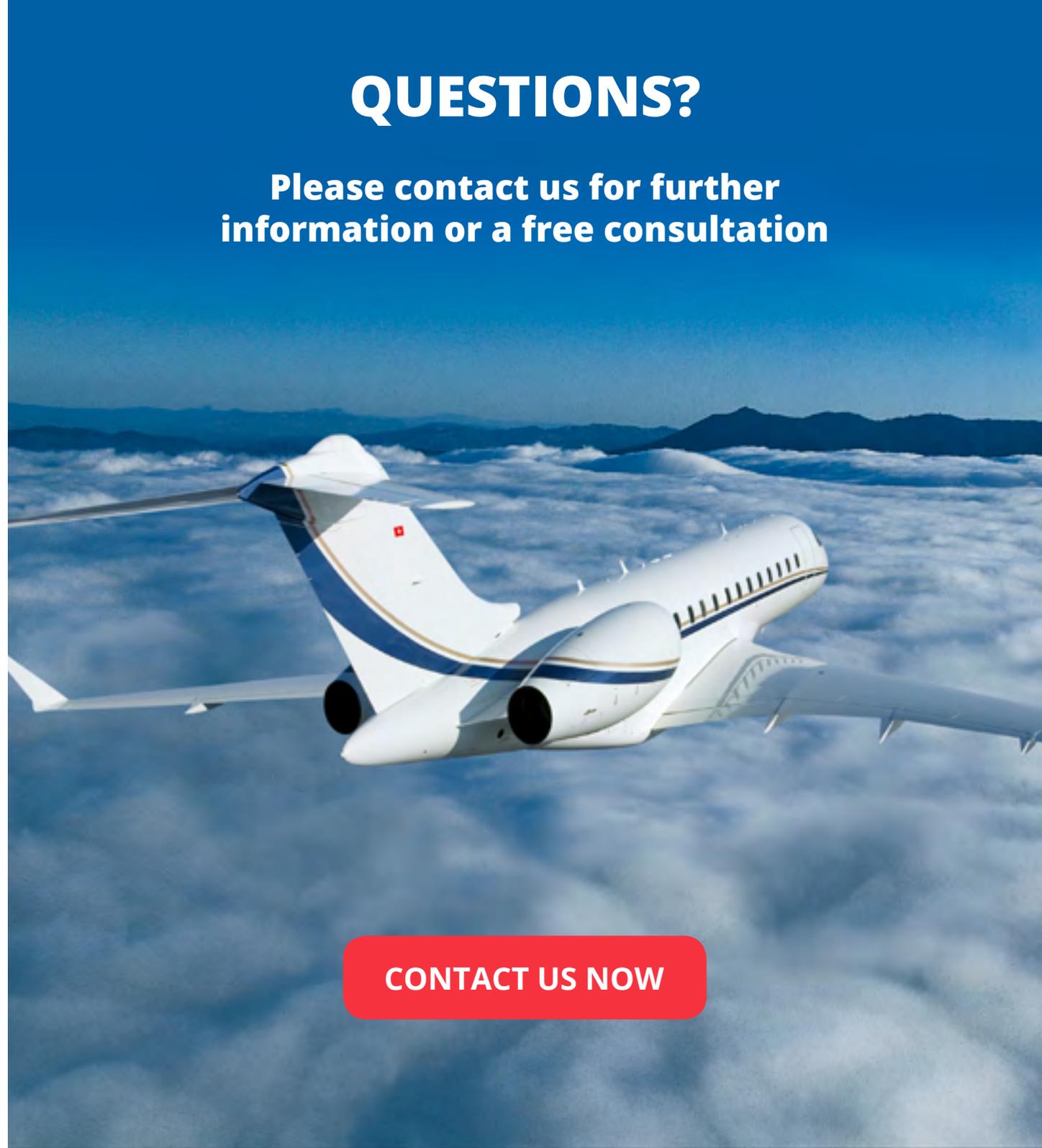
Owning a private jet offers a lot of amenities that neither a Jet Card nor an On-Demand Charter flight can give you.

In order for you to completely enjoy the advantages of your own jet, you should seek the advice of an experienced operator in advance. This way you make sure that you acquire a private jet meeting all of your expectations.

However, for the day-to-day management of the jet you should not only look for an operator that looks back on several years of experience, but for one whose highest priority is the security of the passengers and the jet.

QUESTIONS?

Please contact us for further information or a free consultation



CONTACT US NOW

About Premium Jet AG

“Premium” is not just our name, but also describes our company’s philosophy: Top-level performance and extraordinary service.

As an independent company, we can offer highly specialized aviation management services, both in the private and the commercial area. We take on special individual orders as well as complete asset management. Furthermore, we offer consulting services, discrete charter flights around the clock as well as the acquisition and selling of private jets.

We can offer decades of experience in the field of private jet management and are on the one hand small enough to personally know our clients, but on the other hand large enough to be able to provide attractive conditions - even at partner companies. We are completely independent and promote a transparent, client-oriented “open books” business culture. With us there are no hidden costs or belated price increases - our clients are able to look into all invoices for their used services at any time.

Our board members have direct customer contact and thus personally guarantee the quality of service that we offer our clients at our head office at Zurich airport.

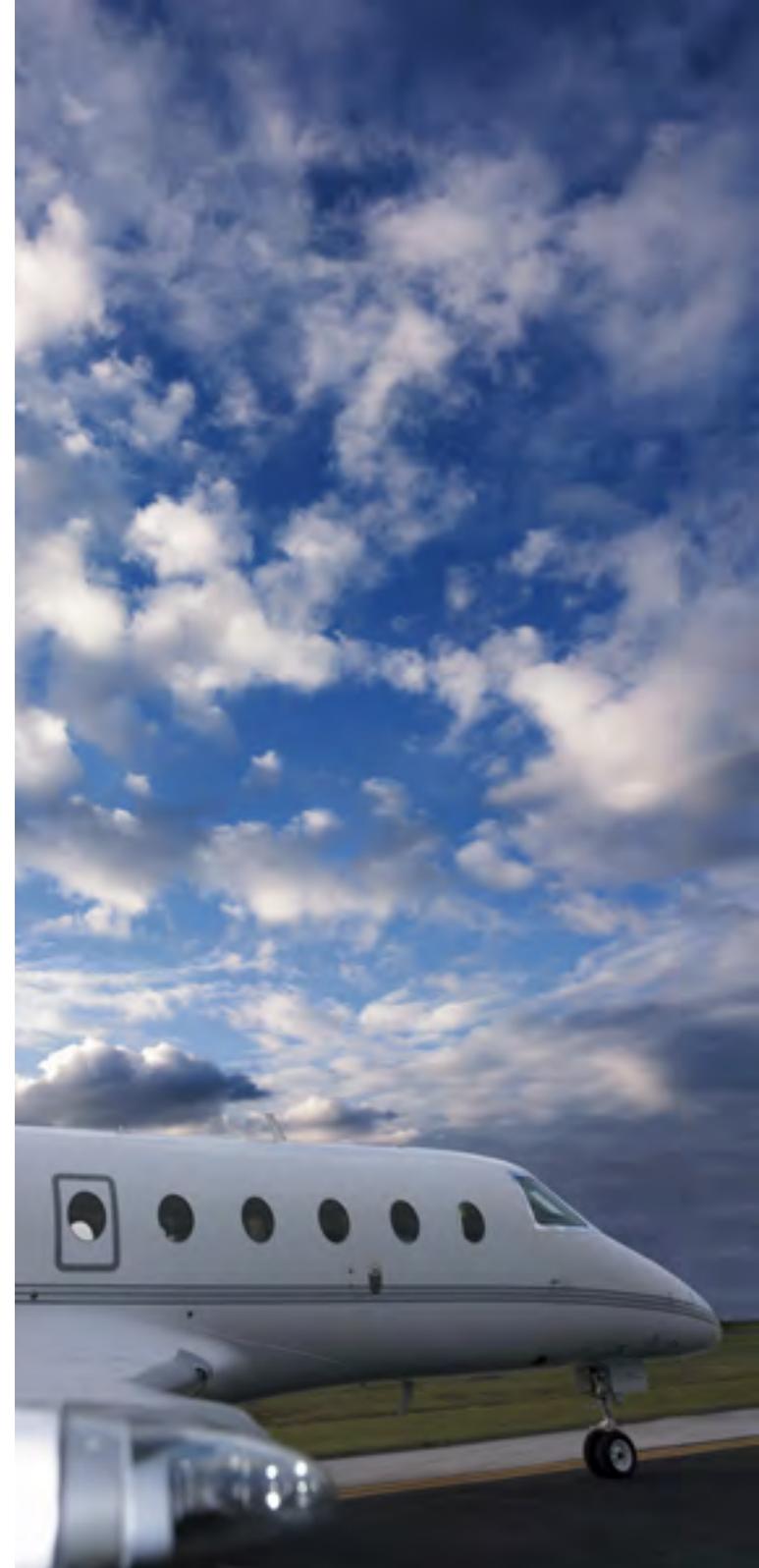


Premium Jet AG

Bimenzältenstrasse 75
P.O. Box 308
CH-8058 Zurich Airport

Tel. +41 44 307 50 60
Fax +41 44 307 50 81

Follow us on Social Media:





premiumjet