



**MINISTERIAL STATEMENT
To the House of Assembly**

by

**The Hon. W. Lawrence Scott, JP, MP
Minister of Transport**

**Impact of the Sanction Regime against Russia on the
Bermuda Civil Aviation's Aircraft Register**

Friday 4th March 2022

Mr. Speak, the Bermuda Civil Aviation Authority (BCAA), is responsible for the regulation and safety oversight of aviation in Bermuda and all aircraft on the Bermuda Aircraft Registry (the Registry). As such, BCAA is currently assessing how the recent global sanctions imposed against Russia will impact the Registry.

Mr. Speaker, the situation regarding the sanctions is very fluid. Therefore, I aim to provide an update in the near future. Meanwhile, I will share the current impact to the Register and advise that the information is solely speaking to the financial effects of the sanctions on the Registry and not the foreign policy behind the sanctions.

Mr. Speaker, at present, there are approximately 484 aircraft on the Registry with entities incorporated in Ireland through leasing companies; 174 aircraft registered to entities incorporated in Bermuda; 5 aircraft registered to United Kingdom (UK) or other Overseas Territories (OT) entities; and the remaining aircraft of approximately 85, are registered to other qualified entities incorporated mainly in European Union (EU) Member States. UK sanctions and by extension to Bermuda, would only apply to entities incorporated in UK, except where there is funding from an EU bank or an EU director on the Board. Sanctions on other entities would depend on sanctions declared by the State of incorporation. For example, when EU sanctions were established on Belarus, a sanction required Irish leasing companies to withdraw their aircraft utilized by Belarus air operators.

Mr. Speaker, UK, US and European officials have introduced an extensive package of financial sanctions on Russia. Many of the major Russian banks have been banned from the SWIFT system, making it difficult for BCAA to receive payment for regulatory services. It goes without saying

financial sanctions are complex; as such, BCAA has engaged its legal counsel to ensure that it does not violate these sanctions.

Mr. Speaker, I want to stress that the information I have shared today speaks solely to the financial impact of the sanctions on Bermuda and not the foreign policy behind the sanctions.

Thank you, **Mr. Speaker**.