Aircraft and Yachts in Italy

Descrizione

FOR AIRCRAFT AND YACHT OWNERS

Your N-reg in Italy: six months is the number that decides everything

A U.S.-registered aircraft is non-Union goods. It can visit Italy under temporary admission — but only on conditions that an Italian resident owner almost never meets, and only for half the time most people assume. The same logic applies to a foreign-flagged yacht, with a longer clock.

Review your position — free 15-minute call

The three clocks

6 months

temporary admission for a private aircraft — not the 18 months that applies to boats

22%

import VAT on the customs value, if the aircraft has to be regularised

2025

the year the rules on customs offences were rewritten — largely in the owner's favour

Is this page for you?

- You are resident in Italy and fly an aircraft registered in the United States or Switzerland
- You own an aircraft through a Delaware LLC or a U.S. owner trust
- You keep a foreign-flagged yacht in an Italian marina
- You hold an FAA licence and want to know what you may fly here
- You are buying an aircraft and choosing where to register it
- You run an aeroclub or a flight school and need the tax position clarified

This has been one of our specialities for years, in a field where general practitioners rarely venture. Antonio Malavasi is a pilot as well as a chartered accountant.

The rule everybody gets wrong

An aircraft on a non-EU register is, in customs terms, a piece of foreign goods sitting inside the European Union. There are exactly two lawful positions for it: released for free circulation, with import VAT paid — or held under temporary admission.

Temporary admission is where the misunderstanding lives. It is not a status the aircraft has; it is a status that depends on *who owns it and who uses it*. Full relief requires the aircraft to be registered outside the EU in the name of a person established outside the EU, and to be used by a person established outside the EU. The exceptions are narrow to the point of being theoretical: occasional private use on the instructions of the registered holder, with that holder physically present in the customs territory; a short-term rental to be taken straight out; or an employee of the non-EU owner using it for work.

> If you live in Italy and the aircraft is based here for your own flying, temporary admission is not available to you. It is not a question of paperwork.
>
> The regime is entered simply by crossing the frontier — there is no form to get wrong. But the burden of proving when the aircraft entered and when it left sits entirely with the person relying on it.

The correct position for an aircraft genuinely based in Italy and flown by an Italian resident is importation, with the VAT that goes with it. Everything else is an argument waiting for an inspection.

TIMING

Three clocks, all of them six months

What makes a permanently based non-EU aircraft untenable is not one rule but the convergence of three, each running on the same period.

CUSTOMS

Six months of temporary admission

The discharge period for a private-use aircraft is six months — a third of the eighteen months allowed for a private vessel. The difference is routinely overlooked by owners who have been advised on boats.

THE CONSEQUENCE

Beyond it, the goods are irregularly in the customs territory, whatever the intention was.

DIRECT TAX

Six months of presence, and the aircraft tax applies

Italy's tax on private aircraft is charged by weight, and it applies to aircraft not on the Italian register whose presence in Italy exceeds six months in any twelve — even if the presence is not continuous. It is due in twelfths, and payable before the aircraft leaves.

RARELY MENTIONED

This is a free-standing tax obligation with nothing to do with customs, and it is the one owners are least likely to have heard of.

EVIDENCE

Proving the aircraft left

Because entry into the regime is automatic, so is the exposure. The owner has to be able to demonstrate departures and returns: flight logs, foreign landing and handling receipts, fuel uplifts abroad, tracking data. Nothing is recorded on your behalf at the border.

IN PRACTICE

Owners who fly regularly outside the EU are usually fine and cannot prove it. Building the evidence file is cheap; reconstructing it is not.

Exemptions from the aircraft tax exist and are worth knowing: aircraft operated by approved training organisations, those belonging to the national aeroclub network and its affiliated clubs, historic aircraft over forty years old, amateur-built aircraft and microlights.

2025 changed the risk, and mostly downwards

For years the standard advice on an irregular non-EU aircraft was framed around smuggling: a criminal offence, a permanent one, with confiscation attached. That framework was rewritten in 2024 and 2025, and anyone still working from the old articles is describing a landscape that no longer exists.

Two changes matter. First, the threshold at which evasion of import VAT becomes a criminal matter was raised substantially — and because customs duty on most civil aircraft is nil, import VAT is usually the only charge at stake. On a typical single or light twin, the exposure now falls below the criminal threshold and stays administrative. On a business jet it does not.

> Second, the Constitutional Court removed the automatic confiscation.
>
> Where only VAT was evaded and the taxpayer pays the tax, interest and penalty in full, the aircraft is released. The customs administration has issued instructions to that effect. Confiscation remains mandatory where customs duties were also evaded.

The administrative sanction is still substantial — a penalty running from once to twice the duties evaded, with a floor — but it is a number that can be calculated, budgeted and settled.

The practical consequence is a window that did not exist before. Voluntary regularisation, initiated before any inspection or verification begins, is now the technically efficient route out of a position that used to look unsalvageable. It closes the moment the authorities arrive.

TWO PERSISTENT MYTHS

The VAT exemption, and the trust

01

“Aircraft are VAT-exempt”

Italian law does exempt aircraft — but only those destined for airlines predominantly engaged in international transport. The relief attaches to the operator, not to the machine, and the “predominantly” test is measured annually on actual revenue. A private individual, a holding company, a special purpose vehicle or an operator flying mostly domestic routes does not qualify. The same conditions govern the exemption on maintenance, leasing and chartering.

02

“The trust owns it, so I don’t”

To register an aircraft in the United States through a non-citizen owner trust, the beneficiary must not hold more than a quarter of the aggregate power to influence, direct or remove the trustee — while the economic interest may be unlimited. That is the paradox: if you genuinely have no control, the aircraft is not yours to fly on your terms; and if you do have control, as is almost always the case in practice, the structure is interposed for Italian tax purposes.

The same reasoning defeats most Delaware LLC arrangements where the aircraft never sees the United States. Italian law has a general rule against interposed ownership, and a separate one that treats a foreign company managed from Italy as Italian. Neither requires the tax authorities to prove bad faith — only to look at where the decisions are actually made.

The obligation nobody expects: reporting

Italian residents must report assets held abroad in the foreign-asset section of the annual return. Most people assume that means bank accounts and property. It also means aircraft and vessels — those held abroad, those entered on foreign public registers, and, in the tax authority's own words, those which, though not registered abroad, would meet the requirements for registration in Italy.

> There is no wealth tax on an aircraft. There is still a duty to declare it.
>
> Italy's wealth taxes reach foreign real estate and foreign financial assets, not movable assets like these. So the exposure here is purely a reporting one — which is exactly why it gets forgotten, and why the penalties are proportionate to the value of an undeclared asset rather than to tax that was never due.

An aircraft held through a foreign trust or company does not remove the obligation; where the structure is interposed, the reporting duty follows the beneficial owner.

LICENSING

What you may actually fly, since June 2022

A derogation used to allow pilots holding a third-country licence to fly non-commercially in Europe without a European one. It expired on 20 June 2022 and was not renewed.

FLYING AN N-REG FROM ITALY

- Two licences, not one
  The FAA certificate required by the state of registry, and a European Part-FCL licence required because you are operating from within the Union.
- Not interchangeable
  This is the single most common regulatory gap we find, and it is invisible until something goes wrong.

CONVERTING AN FAA LICENCE

- Private level, aeroplanes only
  The bilateral agreement between the EU and the United States allows conversion of a private pilot licence and the associated ratings, for non-commercial operations.
- Higher licences
  Commercial and airline licences follow the credit route through an approved training organisation, with reduced theory and flight hours rather than direct conversion.

One further point for anyone considering an Italian operator using a foreign-registered aircraft: transferring safety oversight between states requires a bilateral arrangement, and Italy has these with a limited group of European countries. There is no such route for U.S.-registered aircraft.

One genuine advantage of the N register

Amid a good deal of wishful thinking about foreign registration, there is one solid, verifiable benefit, and it has nothing to do with tax.

The international convention that created a global registry for security interests in aircraft — the instrument that gives financiers a reliable, enforceable priority and a self-help remedy — has not been ratified by Italy. The European Union acceded for the matters within its competence; Italy itself signed and stopped there. Security over an Italian-registered aircraft is therefore taken through entries on the national register, and the international mechanism is not available.

> For a financed aircraft, that difference is real money.
>
> A U.S.-registered aircraft sits inside a system lenders know and price accordingly. It is the one argument for the N register that survives scrutiny — and it is a financing argument, not a tax one.

Which is the honest summary of the whole subject: register abroad for reasons of financing or operation, and account for the aircraft properly in Italy. Registering abroad to avoid Italian VAT is a strategy with a six-month shelf life.

ON THE WATER

Yachts: same logic, longer clock, fresh guidance

A foreign-flagged vessel is subject to the same customs framework, with an eighteen-month discharge period instead of six. In May 2026 the customs administration issued detailed guidance that repays reading closely, because several points cut in the owner's favour.

01

Entry is automatic, and so is the exposure

Crossing into territorial waters places the vessel under temporary admission. A verbal declaration, or an attestation from the port authority, can fix the arrival date — worth doing, since proving departure and return otherwise falls on the owner: tracking data, foreign port calls, bunkering abroad, logbook entries.

02

Who counts as the “user”

For private use it is the owner, even when a professional skipper has physical control. For genuine chartering it is the master. Both must be established outside the EU for the relief to apply — which is why a foreign-flagged yacht with an Italian beneficial owner has the same problem as the aircraft.

Two practical points from the new guidance. A refit carried out by an Italian yard under inward processing does not consume the owner’s eighteen months — a genuine gain for both owners and the Italian refit industry. And a vessel that entered for private use cannot simply start chartering: it has to leave EU customs territory and return under the commercial regime, with the contract and the paperwork in place before it does.

On the tax side, two things are commonly out of date in the advice we see. The annual tax on the ownership of larger pleasure craft was abolished a decade ago and no longer exists. And the old system of fixed percentages that reduced VAT on leasing and chartering according to hull length is gone: since late 2020 the reduction depends on actual use outside EU waters, proven week by week with tracking records, logbooks, photographs and foreign mooring receipts. Structures still marketed on the old percentages do not survive an audit.

WHAT GOES WRONG

The five mistakes we see most

01
Applying the boat rules to an aeroplane

Eighteen months is the vessel period. For a private aircraft it is six — and a great many owners have been reassured by advice written for yachts.

02
Trusting a structure that gives you control

An owner trust or an LLC works for the register it was designed for. Where the beneficial owner directs the aircraft from Italy, Italian law looks through it, and the fact that the paperwork is impeccable in Delaware is not the point.

03
Assuming the VAT exemption applies

It is reserved to airlines predominantly flying international routes, tested annually on revenue. Private ownership, holding structures and mostly-domestic operators fall outside it — as do the maintenance and leasing services that follow the same conditions.

04
Keeping no evidence of departures

The regime is entered automatically and discharged only by proof. Owners who genuinely comply routinely cannot demonstrate it three years later.

05

Waiting for the inspection

Voluntary regularisation before any check has begun is now a viable and comparatively inexpensive route. It is available right up to the moment it is not.

For aeroclubs and flight schools there is a further point worth flagging: VAT treatment of flight training turns on the purpose of the course, with training towards a professional licence treated differently from recreational instruction — and the reformed non-profit tax regime became operative in 2026, changing what associations must do and by when.

WORKING TOGETHER

What we actually do

This is a field where the customs, tax and aviation rules have to be read together, and where general advice tends to be confidently wrong. We have worked on it for years, in Italian and in English.

Position review: where your aircraft or vessel actually stands, and what it would cost to fix
FIXED FEE AFTER THE FREE CALL

Voluntary regularisation and customs settlement before an inspection
FIXED FEE AFTER THE FREE CALL

Importation, VAT treatment and the exemption analysis where it genuinely applies
FIXED FEE AFTER THE FREE CALL

Ownership structuring, and honest advice on the ones that will not hold
FIXED FEE AFTER THE FREE CALL

Foreign asset reporting for aircraft and vessels FIXED FEE AFTER THE FREE CALL

Aeroclubs and flight schools: non-profit status, VAT on training, governance and audit
FIXED FEE AFTER THE FREE CALL

Every engagement is confirmed in a written engagement letter, with the fee agreed in advance, before any work starts.

Questions we are asked most

I live in Italy and own an N-registered aircraft. Is that a problem?

If the aircraft is based here and flown by you, temporary admission is not available, because the relief requires both the registered owner and the user to be established outside the EU. The correct position is importation with VAT. The position should be reviewed before an inspection rather than after one.

How long can a private aircraft stay in Italy under temporary admission?

Six months. The eighteen-month period frequently quoted applies to vessels, not aircraft. Separately, presence exceeding six months in any twelve triggers the Italian tax on private aircraft, even for aircraft not on the Italian register.

Does a U.S. owner trust protect me?

Only if it is real. FAA rules require that non-citizen beneficiaries hold no more than a quarter of the aggregate power to influence, direct or remove the trustee. Where the beneficial owner in fact controls the aircraft, Italian rules on interposed ownership apply and the structure is looked through.

Are aircraft exempt from VAT in Italy?

Only those destined for airlines predominantly engaged in international transport, tested annually on actual revenue. The relief attaches to the operator, not to the aircraft, and does not cover private ownership or holding structures.

Do I have to declare a foreign-registered aircraft on my Italian tax return?

Yes. Aircraft and vessels held abroad, entered on foreign registers, or which would qualify for Italian registration, must be reported in the foreign-asset section of the annual return. There is no wealth tax on them, but the reporting obligation and its penalties apply.

Can I fly my N-reg in Europe on my FAA licence alone?

No, not since 20 June 2022. Operating from within the EU also requires a European Part-FCL licence. The two are cumulative, not alternative.

NEXT STEP

Better to know where you stand

Fifteen minutes is enough to establish your actual position, whether a regularisation window is open, and what it would cost to close the matter properly. In English or in Italian, at no cost.

Book your free call

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L'utilizzo in Italia di aeromobili immatricolati FAA

Aeromobili extra-UE e residenti in Italia: aspetti legali, fiscali e doganali

Aeromobili da turismo e trattamento fiscale

Il trattamento fiscale degli aeromobili da turismo

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Aeroclub: associazione o società?

La responsabilità di amministratori e revisori negli aeroclub

This page is general information based on European and Italian rules in force in August 2026, and is not advice on any specific situation. Customs, tax and aviation rules interact and change; every aircraft and vessel has to be assessed on its own facts. Last reviewed: August 2026.

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