

JAFFA & CO

Superyacht & Aviation Lawyers



Welcome to the Autumn/Winter 2025 edition of our newsletter.

I am pleased to be writing this from our Fort Lauderdale office, which I must say is experiencing significantly better weather than our UK offices...!

The Jaffa family has been in the US for a month, although I have mainly seen the inside of our office (strolling around the Fort Lauderdale International Boat Show is a distant memory...!).



My trip coincided with two major US industry events. FLIBS and Corporate Jet Investor Miami. Both were terrific, as ever, but I always feel I could fill a month at each show and still not see everybody I would like.

At FLIBS this year, we had a Jaffa & Co tender. This was something of a last-minute, but nonetheless inspired, decision because this particular show is so vast, and spread out. Our captain estimated we ferried over 600 clients and colleagues in a three-day period, which was surprising (and explains why he looked a bit worn out by the end of each day!). Our Jaffa & Co baseball caps also proved to be a huge hit (we should have made more) – if you would like one, drop us an email and we will pop one in the mail.

CJI Miami was also excellent, and within 15 minutes of attending I had seen more friends than I could manage in a month of travel. For that reason alone (although there are many others as well), it was great to attend. (Side note...just when you think Miami traffic can't get worse...it does...bring on eVTOLs, I say.)

In November we were joined by Irina Gotlib, who has almost 25 years of transactional experience and is based in Dubai. The Middle East market is hugely important to Jaffa & Co, and we have advised on at least \$2bn of assets in the region this year. It has been a long-held ambition to open an office in Dubai but, like all projects, it required the right people and could not be rushed. And then, seemingly overnight, we have boots on the ground, and our workflow in the region has immediately gone up a notch.

The speed at which we have opened our doors in the UAE, and how quickly it has had a positive impact on business, is eye-opening. It is, I think, indicative of why so many of our clients enjoy doing business in the region. Everything happens at pace, and with a 'can-do' attitude.

The Jaffa & Co team has been travelling all over the place recently. Jonathan Russell and Sarah Fairweather have been in and out of Dubai (including a very successful Dubai Air Show), Paul Dickie and Lauren McNab have been delivering seminars to major brokerage firms in Monaco (if you would like the same service, please just ask!). Matt Potts has been across to the US ahead of his permanent move back to his home country in 2026, and Chrysa Kitsou has been playing volleyball in Texas. Harriet Parker is on secondment with a major client in the UAE, and enjoying the clement weather, and Siobhan Wilson (who is really the driving force behind the firm) has been off to Disney World in Orlando. But I think the crown of business travel goes, yet again, to Paul Dickie, who is just about to head off to the Antigua Yacht Charter Show. He never invites me...

In closing, I hope you have all had a terrific 2025, and I wish everybody a joyous and restful Christmas, and of course a successful 2026!

James Jaffa
Managing Partner



Market Overview

Nine months ago, I predicted a slowdown of the US market for private aviation and superyacht transactions, and an upswing in litigation (whenever transactions are down, disputes seem to flare up...presumably because when consumers are cautious about spending, they are also keen to fight over what they do spend). I still maintain that to have been the case, but the US market has such a high volume of transactions that even in times of a 'slowdown' it remains the most active market, and our Fort Lauderdale office remains busy.

The European and Middle East markets remain stable, and generally strong, and we continue to receive a steady number of new instructions. Whilst this does not necessarily provide a very exciting 'market update', the simple truth is that business remains good.

Globally, we continue to see the emergence of two very distinct markets for both superyachts and business jets. At the top end, there is no shortage of customers who are buying and selling. At the lower end (by which I mean sub-€/ \$10m), transactions are slower. We are still not seeing any 'fire sale' deals and owners are not desperate to be out of ownership but, having said that, we are seeing Letters of Intent which were submitted (and rejected by sellers) six months ago now being dusted off and considered more seriously.

Q4 is always the busiest time of year for American buyers, with a push to get acquisitions over the finish line before 31 December, in order to utilise [Bonus Depreciation](#). This is especially true for corporate jets, as CFOs and major shareholders look to reduce their annual tax bill.

The Mediterranean fleet is steaming across the Atlantic for the Caribbean season, and this market summary has now taken me 20 minutes longer than it should have done, as I lost myself in Marine Traffic looking up the positions of clients' vessels!

One of my particular favourites is a 60+ metre sailing yacht, which is owned by a wonderful family that cruises extensively. I was on the telephone with them a few days ago and enjoyed hearing about their (European) summer cruising (further East than ever before), and their upcoming Christmas cruise in the Caribbean (for longer than ever before). Which is just as it should be, in my view!

James Jaffa
Managing Partner





A Few Things We've Learned

Superyachts: Flag State and Importation Considerations for Dubai-Based Yachts

It is commonly accepted that flagging and crewing in Dubai are not precise acts. The legal framework is relatively new, in some respects incomplete and not widely understood.

When selecting Dubai as the flag state, the Ultimate Beneficial Owner (UBO) must first consider the primary area of use and the intended operational profile of the vessel. In cases where Dubai use and local registration are being considered, several key factors should be evaluated:

1. Duration of Stay: How long the vessel is expected to remain in the United Arab Emirates;
2. Area of Operation: Whether the vessel will operate exclusively within Dubai waters, or in other regional jurisdictions such as Abu Dhabi; and
3. Crew Requirements: Whether the vessel will be professionally crewed, and if so, the type of visas the crew will hold.

For local registration, the UBO must provide:

- A valid residence visa;
- Emirates ID; and
- Local berthing contract.

At present, there is a notable financial advantage to registering a vessel outside the UAE. This allows owners to avoid 5.25% VAT and a 5% import duty. This strategy is particularly advantageous for larger, professionally crewed vessels.

However, for smaller yachts, the benefits of offshore registration are less significant, and local flagging will be recommended in most cases, as the administrative requirements are significantly simpler, especially if the yacht will remain in the UAE.

Madison Bode
Attorney



Business Aviation: AI in Biz Av transactions - The lesson learned from 77 Amendments

When a new client sent through 20 pages of AI suggestions for amendments to their Aircraft Purchase Agreement earlier this year, my eyes lit up. The potential promised by AI (such as efficiency, creativity and speed) is interesting, even to traditionally cautious lawyers. This situation gave me the perfect opportunity to test whether AI really could help negotiate complex business aviation transactions.

Our client had used three separate large language models (“LLMs”), including ChatGPT, to review the draft agreement and suggest improvements. The result was 77 proposed amendments. Of those:

- 6 worked and could be implemented directly;
- 18 were roughly in the right direction but needed tweaking to work in the agreement; and
- the remaining 53 were off the mark – they made the right kind of “noises” but just did not work in the transaction either commercially, legally or contextually.

Some of the issues with the suggestions will be familiar to anyone who has played with AI: confidently wrong, occasionally contradictory, and sometimes bewilderingly optimistic. A lot of the suggestions were based on sound legal principles and perfectly suitable for some form of contract, just not something as specific as a business aviation purchase agreement. Some suggestions were suitable in isolation but contradicted other parts of the draft agreement. Others were either based on commercial aviation practice or did not account for well-established market standards in business aviation.

The exercise may not have saved time on that deal, but it did highlight an important principle: AI can be an impressive tool, but it needs to be paired with human judgment. Users need to be aware that, in its current form and on the commonly used platforms like ChatGPT, the responses they get may lack context, nuance, or credibility. They must be checked.

The reason for this is structural. LLMs don’t “know” anything per se. They work by being trained on vast amounts of data to learn statistical patterns and then answer users’ queries by predicting “bites” or “chunks” of information based on that data. In each

instance, the AI tool will predict the next most likely “chunk” given the relevant context. This can even lead to it seemingly “making up” answers, which is known as AI “hallucinations”. This may lead you to have some sympathy for those who are lulled into the trap of assuming that AI is correct.

In a case reported earlier this year (and there have been several similar cases), AI “hallucinated” false case law that was cited in legal proceedings. This could occur in instances where a user asks AI to conduct legal research and, in its response, it predicts that the next “chunk” of text should look like a case citation — a cluster of names, numbers, and law reports — without any awareness that it ought to check if such cases even exist. Without human intervention, AI does not understand why a lawyer might need a case or to know that no such case exists.

The High Court acknowledged that AI can be a useful tool. It stated that it will likely “have a continuing and important role in the conduct of litigation in the future”. It also stressed, however, that oversight is crucial. Lawyers have professional duties to the courts and to their clients, which include ensuring that their research, advice, and drafting is accurate.

This message also applies beyond the courtroom. AI use needs to be responsible and intentional. What could that use look like? For transactional business aviation lawyers, that may mean:

- feeding LLMs with a curated precedent bank so that their learning is focused and accurate rather than based on those very few business aviation articles that it can find online (articles from 2018 are great, but the Air Navigation Order has been updated since then!);
- building a platform that re-runs an entire draft through the model after each amendment so that the AI’s analysis stays contextual and it doesn’t lose sight of the agreement as a whole;
- embedding version-tracking and/or legislative-update checks into drafting workflows.

There’s real potential here. Used intelligently and intentionally, AI could speed up document review, flag inconsistencies, or draft first-pass content. But it can’t replace human expertise, especially in industries that depend on market understanding, precision, and/or safety.

Technology is extraordinary, and its future in law and business is assured. For now, though, our 77-amendment exercise proved that just like a jet: AI still needs a human pilot.

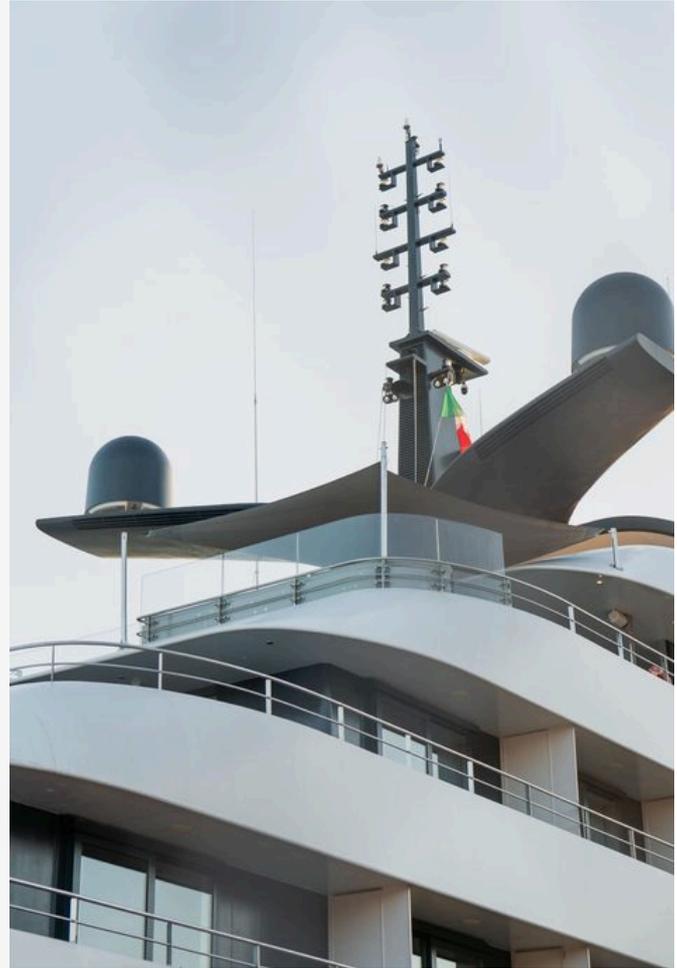
Katie Bancroft
Senior Associate



Some of our recent transactions

Superyachts

- Advised the purchaser on a very substantial Northern European construction project with a 4-year delivery timeline.
- Advised a distributor on its new dealership agreement with a well-known yacht manufacturer.
- Advised an owner on the purchase of a new Pearl 100 – a new-to-market hybrid yacht.
- Advised a seller on the sale of x3 tug vessels as part of a €80m financing.
- Advised a buyer of a new 55-metre Heesen superyacht.
- Advised an experienced owner in the negotiation of a newbuild 40-metre semi-production vessel.
- Advised the owner on the construction of a 30-metre Turkish build.



Jets

- Advised an airline client on the sublease of an A320 aircraft.
- Advised an aviation client on the purchase of a new PC-24.
- Advised on the purchase of a Global 7500.
- Advised on the sale of a Global 6000.
- Advised on the end-of-lease purchase of a Global 6500.
- Advised on the sale of an AgustaWestland AW139.
- Advised on the purchase of a Global XRS.
- Advised on the purchase of a Eurocopter EC155B and a Challenger 604.
- Advised on the purchase of a PC-12 Pro.



Team Update

We are delighted to have welcomed Alexandra Lyons to our London office, and Irina Gotlib to our Dubai office.

Born in Chicago, **Alexandra Lyons** is a U.S.-qualified attorney with a global perspective and a passion for maritime law. A lifelong sailor and competitive rower, her connection to the water shaped her path. She earned a B.A. with high honours from the University of Texas at Austin in Government and Philosophy of Law.



Irina Gotlib brings nearly 25 years of transactional expertise to the Jaffa team and a wealth of experience in the ultra high net worth marketplace.

Based in Dubai, Irina also spearheads the opening of Jaffa & Co's Dubai office. Over half of all our firm's transactional



workflow has enjoyed a nexus with the Middle East over the past 18 months, and Irina's appointment further strengthens our status in the region as a leading service provider for business jet and superyacht clients.

Until next time...



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