

Alert | Aviation



January 2026

FAA Orders Surrender of Aircraft Registration Certificates Issued to Southern Aircraft Consultancy Inc., Potentially Impacting Over 800 Aircraft

On Jan. 13, 2026, the Federal Aviation Administration (FAA) notified Southern Aircraft Consultancy Inc. (SACI) that the agency has rendered all aircraft registration certificates issued in the company's name invalid and has notified the company that it must surrender them within 21 days. The FAA determined that SACI violated U.S. citizenship requirements when submitting registration applications for aircraft held in trust. This FAA determination grounds the affected aircraft, and they should not be operated until proper registration is confirmed.

Takeaways

Entities with aircraft registered through SACI may wish to take immediate action to avoid unauthorized operations. To register an aircraft on the U.S. Civil Aircraft Registry, the following requirements apply under 14 CFR Part 47.

Eligible Owners

- U.S. citizens or resident aliens (individuals);

- U.S. corporations or associations meeting control and voting interest requirements (president and two-thirds of board and other managing officers must be U.S. citizens; at least 75% voting interest must be U.S.-held); or
- Non-U.S. owners may use a trust, provided the trustee is a U.S. citizen or resident alien.

Required Documentation

Impacted parties must submit all required documentation to the FAA's civil aircraft registry, located in Oklahoma City. Documents filed with the FAA for the purpose of registration must have either a blue-ink original signature or be properly signed using a valid electronic signature method.

Temporary Authority

Upon submission of all required documentation, applicants may operate within airspace of the continental United States by carrying a copy of the application for registration onboard the aircraft.

Important Note

Temporary authority does not permit international flights, so if an entity has an aircraft currently located outside of the boundaries of the continental U.S. airspace system, it may not conduct any operations until the FAA has confirmed aircraft registration and operators have placed remedial documentation on board the aircraft.

Special Considerations for Lenders, Lessors, and Lessees

This development has implications for both financing and leasing arrangements:

- **Lenders:** Aircraft serving as collateral may now be grounded, impacting asset value and borrower compliance. Immediate coordination with borrowers may prove critical to ensuring re-registration and to maintaining lien priority.
- **Lessors:** Aircraft under lease cannot legally operate until properly registered. Lessors may need to confirm lessee compliance and should consider contractual remedies, including defaults in financing transaction documents or extensions to mitigate downtime.
- **Lessees/Operators:** Operating an unregistered aircraft violates Federal Aviation Regulations and may trigger insurance exclusions and contractual defaults. Impacted parties may need to take prompt action to restore registration in an effort to avoid operational and financial risk. Applicable insurance policies should be reviewed on an ASAP basis with special attention to ensuring coverage is still in effect and that all necessary parties remain properly covered.

Greenberg Traurig's aviation team is monitoring this situation.

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