

**ASSOCIATION OF ASIA PACIFIC AIRLINES
RESOLUTION NO. 8
Series of 2015**

A RESOLUTION ON TAXATION AND CHARGES

The AAPA ASSEMBLY OF PRESIDENTS, in its 59th meeting duly assembled,

RECOGNISING THAT:

- I. Aviation is a key driver for social and economic development for all countries worldwide;
- II. The International Civil Aviation Organisation (ICAO), which provides guidance on taxation of international air transport as set out in Doc 8632, "ICAO's Policies on Taxation in the Field of International Air Transport", discourages levies on international air services as these would inhibit further economic development;
- III. Air transport pays for its own infrastructure costs;
- IV. AAPA has in the past adopted resolutions calling on governments to refrain from increasing the burden of aviation levies in any form, including Resolution No. 9, Series of 2014, "A RESOLUTION AGAINST UNFAIR TAXATION";

NOTING THAT:

- V. Airlines and the travelling public today already bear the burden of numerous taxes and charges imposed by governments, as well as monopolistic service providers and other agencies;
- VI. Despite past exhortations, there has been a proliferation of taxes in many countries in respect of certain aspects of international air transport and charges on air passengers, several of which can be categorised as taxes on the sale or use of international air transport in contravention of ICAO policies on taxation;
- VII. A number of governments have recently introduced or increased taxes on air travel including New Zealand's new Border Clearance Levy, and the United Kingdom's decision to increase the existing Air Passenger Duty;

VIII. The travelling public is often unaware of the variety and magnitude of such taxes or levies, especially when collected together with airfares;

BELIEVING THAT:

IX. Punitive or discriminatory taxes on aviation in any form contravene ICAO's policies on taxation;

X. Excessive taxation on international air transport for the sole purpose of generating State revenues has a significant negative impact on society and the national economies of individual States;

XI. Unjustified taxes penalise the travelling public by making air travel less affordable, and undermine aviation's vital role in fostering global tourism and broader economic and social development;

XII. Discriminatory taxes imposed on foreign visitors undermine a government's social and tourism objectives;

RESOLVES:

XIII. TO RENEW THE CALL on governments to carefully consider the overall economic effects of putting further financial strain on the travelling public and on the aviation industry, and to refrain from increasing the burden of aviation levies in any form;

XIV. TO CALL on governments to adhere to ICAO policies on taxation and ensure such recommendations are followed by all relevant taxation authorities within those governments;

XV. TO CALL on governments to avoid imposing unjustified or discriminatory taxes on international aviation that undermine its vital role both in fostering global tourism, and acting as a positive driver of social and economic development.

APPROVED this 13th day of November 2015.

Certified correct:



ANDREW HERDMAN
Director General



M. ARIF WIBOWO
AAPA Chairman – 2015

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