

2008 Pre-Budget Report



PBRN20

24 November 2008

AIR PASSENGER DUTY (APD)

Who is likely to be affected?

1. Airlines, travel agents and air passengers, including those who have already booked tickets for travel on or after 1 November 2009.

General description of the measure

2. Destinations will be categorised into four geographical bands based on distance from London to the capital city of the destination country/territory (with the exception of the Russian Federation which is split east and west of the Urals).
3. Each band will have two rates, one for standard class of travel and one for other classes of travel.
4. A list of countries by bands is shown in the table below.

Operative date

5. Changes will have effect in relation to any carriage of a passenger which begins on or after 1 November 2009, irrespective of when the ticket for travel was booked or purchased.
6. APD is a tax on the airlines and, although they are not legally obliged to, many choose to pass on this charge to the passenger in the form of a business charge. For convenience this is usually done at the time of the ticket sale, although the tax itself is not due until the aircraft takes off. Whether or not the airline chooses to pass on this latest rate increase is consequently a business decision and outside the remit of HM Revenue & Customs (HMRC).

Current law and proposed revisions

7. There are currently four rates of APD as follows:

Passenger type	In lowest class of travel (Reduced rate)	In other than lowest class of travel* (Standard rate)
Passengers flying to destinations in the European Economic Area (EEA), the European Common Aviation Area, countries applying to join the EU, and Switzerland.	£10	£20
Passengers flying to other destinations	£40	£80

*(However if only one class of travel is available and that class provides for seating in excess of 40" then the standard (rather than the reduced) rate of APD applies).

8. The new bands and the rates of duty for 2009-10 and 2010-11 are as follows:

Band, and approximate distance in miles from	In the lowest class of travel (Reduced rate)		In other than the lowest class of travel* (Standard rate)	
	2009-10	2010-11	2009-10	2010-11
Band A (0 - 2000)	£11	£12	£22	£24
Band B (2001 – 4000)	£45	£60	£90	£120
Band C (4001 – 6000)	£50	£75	£100	£150
Band D (over 6000)	£55	£85	£110	£170

*(However if only one class of travel is available and that class provides for seating in excess of 40" then the standard (rather than the reduced) rate of APD applies).

9. Distances are based on the distance between London and the capital city of the destination country/territory.

10. Section 30 of the Finance Act 1994 will be amended to implement the changes.

Further advice

11. If you have any questions about this change, please contact the National Advice Service on 0845 010 9000. Information about Pre-Budget Report measures is available on the HM Revenue & Customs website at www.hmrc.gov.uk

The following specifies which band countries, territories and regions fall into for each of the new APD Bands:

Band A: 0 – 2,000 miles from London

Band B: 2,001- 4,000 miles from London

Band C: 4,001 – 6,000 miles from London

Band D: over 6,000 miles from London

Band A

Country/Territory	Capital City
Albania	Tirana
Algeria	Algiers
Andorra	Andorra la Vella
Austria	Vienna
Bailiwick of Guernsey	St Peter Port
Bailiwick of Jersey	St Helier
Belarus	Minsk
Belgium	Brussels
Bosnia & Herzegovina	Sarajevo
Bulgaria	Sofia
Corsica	Ajaccio
Croatia	Zagreb
Cyprus	Nicosia
Czech Republic	Prague
Denmark	Copenhagen
Estonia	Tallinn
Faroe Islands	Torshavn
Finland	Helsinki
France	Paris
Germany	Berlin
Gibraltar	Gibraltar
Greece	Athens
Greenland	Nuuk
Hungary	Budapest
Iceland	Reykjavik
Ireland	Dublin
Isle of Man	Douglas
Italy	Rome
Kosovo	Pristina
Latvia	Riga
Libya	Tripoli
Liechtenstein	Vaduz
Lithuania	Vilnius
Luxembourg	Luxembourg
Macedonia	Skopje
Madeira	Funchal
Malta	Valletta
Moldova	Chisinau
Monaco	Monaco
Montenegro	Podgorica

Band A

Country/Territory	Capital City
Morocco	Rabat
Netherlands	Amsterdam
Norway	Oslo
Poland	Warsaw
Portugal	Lisbon
Romania	Bucharest
Russian Federation (west of Urals)	Moscow
San Marino	San Marino
Sardinia	Cagliari
Serbia	Belgrade
Sicily	Palermo
Slovakia	Bratislava
Slovenia	Ljubljana
Spain	Madrid
Svalbard	Longyearbyen
Sweden	Stockholm
Switzerland	Bern
The Azores	Ponta Delgada
The Balearic Islands	Palma
The Canary Islands	Santa Cruz de Tenerife
Tunisia	Tunis
Turkey	Ankara
Ukraine	Kiev
Vatican City	Vatican City
Western Sahara	Laâyoune

Band B

Country/Territory	Capital City
Afghanistan	Kabul
Armenia	Yerevan
Azerbaijan	Baku
Bahrain	Manama
Benin	Porto-Novo
Bermuda	Hamilton
Burkina Faso	Ouagadougou
Cameroon	Yaounde
Canada	Ottawa
Cape Verde	Praia
Central African Republic	Bangui
Chad	N'Djamena
Congo, Democratic Republic of	Kinshasa
Congo, Republic of	Brazzaville
Djibouti	Djibouti
Egypt	Cairo
Equatorial Guinea	Malabo
Eritrea	Asmara

Band B

Country/Territory	Capital City
Ethiopia	Addis Ababa
Gabon	Libreville
Gambia	Banjul
Georgia	Tblisi
Ghana	Accra
Guinea	Conakry
Guinea-Bissau	Bissau
Iran	Tehran
Iraq	Baghdad
Israel and the Occupied Palestinian Territories	Tel Aviv/Ramallah
Ivory Coast	Yamoussoukro
Jordan	Amman
Kazakhstan	Astana
Kuwait	Kuwait City
Kyrgyzstan	Bishkek
Lebanon	Beirut
Liberia	Monrovia
Mali	Bamako
Mauritania	Nouakchott
Niger	Niamey
Nigeria	Abuja
Oman	Muscat
Pakistan	Islamabad
Qatar	Doha
Russian Federation (east of Urals)	Moscow
Saint Pierre & Miquelon	Saint-Pierre
Sao Tome and Principe	Sao Tome
Saudi Arabia	Riyadh
Senegal	Dakar
Sierra Leone	Freetown
Sudan	Khartoum
Syria	Damascus
Tajikistan	Dushanbe
Togo	Lome
Turkmenistan	Ashgabat
Uganda	Kampala
United Arab Emirates	Abu Dhabi
United States	Washington D.C.
Uzbekistan	Tashkent
Yemen	Sanaa

Band C

Country/Territory	Capital City
Angola	Luanda
Anguilla	The Valley
Antigua & Barbuda	Saint John's
Aruba	Oranjestad
Ascension Island (British Overseas Territory)	Georgetown
Bahamas	Nassau
Bangladesh	Dhaka
Barbados	Bridgetown
Belize	Belmopan
Bhutan	Thimphu
Botswana	Gaborone
Brazil	Brasilia
British Indian Ocean Territory	Diego Garcia
British Virgin Islands	Road Town
Burma	Rangoon
Burundi	Bujumbura
Cayman Islands	George Town
China	Beijing
Colombia	Bogota
Comoros	Moroni
Costa Rica	San Jose
Cuba	Havana
Dominica	Roseau
Dominican Republic	Santa Domingo
Ecuador	Quito
El Salvador	San Salvador
French Guiana	Cayenne
Grenada	Saint George's
Guadeloupe	Basse-Terre
Guatemala	Guatemala
Guyana	Georgetown
Haiti	Port-au-Prince
Honduras	Tegucigalpa
Hong Kong SAR	Hong Kong
India	New Delhi
Jamaica	Kingston
Japan	Tokyo
Kenya	Nairobi
Korea, North	Pyongyang
Korea, South	Seoul
Laos	Vientiane
Lesotho	Maseru
Macao SAR	Macao
Madagascar	Antananarivo

Band C

Country/Territory	Capital City
Malawi	Lilongwe
Maldives	Male
Martinique	Fort-de-France
Mauritius	Port Louis
Mayotte	Mamoudzou
Mexico	Mexico City
Mongolia	Ulaanbaatar
Montserrat	Plymouth
Mozambique	Maputo
Namibia	Windhoek
Nepal	Kathmandu
Netherlands Antilles	Willemstad
Nicaragua	Managua
Panama	Panama City
Puerto Rico	San Juan
Reunion	Saint-Denis
Rwanda	Kigali
Saint Barthelemy	Gustavia
Saint Christopher and Nevis (St Kitts & Nevis)	Basseterre
Saint Helena	Jamestown
Saint Lucia	Castries
Saint Martin	Marigot
Saint Vincent and the Grenadines	Kingstown
Seychelles	Victoria
Somalia	Mogadishu
South Africa	Pretoria
Sri Lanka	Colombo
Suriname	Paramaribo
Swaziland	Mbabane
Tanzania	Dar es Salaam
Thailand	Bangkok
Trinidad & Tobago	Port of Spain
Turks & Caicos Islands	Grand Turk
Venezuela	Caracas
Vietnam	Hanoi
Virgin Islands	Charlotte Amalie
Zambia	Lusaka
Zimbabwe	Harare

Band D

Country/Territory	Capital City
American Samoa	Pago Pago
Antarctic Territories	Antarctic Territories
Argentina	Buenos Aires
Australia	Canberra
Bolivia	La Paz
Brunei	Bandar Seri Begawan
Cambodia	Phnom Penh
Chile	Santiago
Christmas Island	The Settlement
Cocos (Keeling) Islands	West Island
Cook Islands	Avarua
East Timor	Dili
Falkland Islands	Stanley
Fiji	Suva
French Polynesia	Papeete
Guam	Hagatna
Indonesia	Jakarta
Kiribati	Tarawa
Malaysia	Kuala Lumpur
Marshall Islands	Majuro
Micronesia	Palikir
Nauru	Yaren
New Caledonia	Noumea
New Zealand	Wellington
Niue	Alofi
Norfolk Island	Kingston
Northern Marina Islands	Saipan
Palau	Melekeok
Papua New Guinea	Port Moresby
Paraguay	Asuncion
Peru	Lima
Philippines	Manila
Pitcairn Islands	Adamstown
Samoa	Apia
Singapore	Singapore
Solomon Islands	Honiara
South Georgia & South Sandwich Islands	King Edward Point
Taiwan	Taipei
Tonga	Nuku'alofa
Tristan da Cunha	Edinburgh of the Seven Seas
Tuvalu	Funafuti
Uruguay	Montevideo
Vanuatu	Port Vila
Wallis and Futuna Islands	Mata-Utu