



CAACI BULLETIN 01-10

TAX FREE FUEL FOR AIRCRAFT REGISTERED IN THE CAYMAN ISLANDS AND OPERATING IN EUROPE

European Community (EC) Directive 2003/96/EC concerns "taxation of energy products and electricity". This Directive provides, in article 14, that Member States shall exempt from taxation, "energy products supplied for use as fuel for the purpose of air navigation other than in private pleasure flying".

By way of amplification, Her Majesty's Revenue and Customs (HMRC) have produced a Guidance Notice 554 dated April 2009 in connection with the entry into force in the UK of the EC Directive. Paragraph 16 of the Guidance Notice states that for the purposes of the legislation aircraft may be considered tax exempt for fuel if the operations are commercial or if the aircraft is operated in non-commercial operations by an individual or company, for the carriage of passengers or goods as an aid to the conduct of company business.

Cayman Island registered aircraft operated under OTAR Part 125 that are used for company business meet the requirements for exemption from fuel taxes while operating in EC countries. The German Business Aircraft Aviation Association recently won a lawsuit over the right for tax free fuel; however, owners and operators are cautioned that some fuel suppliers and some countries in the EC may not yet recognize the tax exempt status of aircraft.

The Application for Fuel Tax Exemption Certificate is available on the CAACI website at www.caacayman.com under "Aircraft Registry – Miscellaneous Forms". Upon receipt of a completed form and the applicable fee, the CAACI will issue a Tax Exemption Fuel Certificate to be produced to fuel suppliers in EC countries to confirm that the aircraft is exempt from fuel taxes.



APPLICATION FOR FUEL TAX EXEMPTION CERTIFICATE

1. AIRCRAFT DETAILS

Registration:	
Manufacturer's Name, Model and Type Designation:	
Manufacturer's Serial Number (MSN):	

2. APPLICANT DETAILS

Name:	
Address:	
Telephone Number:	
Fax Number:	
Email:	

3. ENTERPRISE CARRIED ON BY THE APPLICANT (check applicable box)

<input type="checkbox"/>	Non-commercial operation or use of the aircraft by the company, for the carriage of passengers or goods as an aid to the conduct of company business and flown by a pilot (or pilots) employed to fly the aircraft.
<input type="checkbox"/>	Non-commercial operation or use of the aircraft by an individual for the carriage of passengers or goods as an aid to the conduct of his/her business or his/her employer's business and flown by a pilot (or pilots) employed to fly the aircraft.

4. DECLARATION

I declare that any fuel purchased in reliance on any Fuel Tax Exemption Certificate issued pursuant to this application will not be used otherwise than in the framework of the economic activities of the enterprise described in Section 3 above and carried on by the applicant.
The sum of 200 CI\$ in payment of the statutory charge is (enclosed/to be charged to our account) <i>(delete as appropriate)</i>
Print full name of signatory:
Signature:
Date:

5. FOR CAACI USE ONLY

Received:	Certificate No:	Date:
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