

## **Tax Free Fuel for Aircraft Registered in the Cayman Islands and Operating in Europe**

**CIAC** | **28-15**

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### **GENERAL**

Cayman Islands Aviation Circulars are issued to provide advice, guidance and information on standards, practices and procedures necessary to support Overseas Territory Aviation Requirements. They are not in themselves law but may amplify a provision of the Air Navigation (Overseas Territories) Order or provide practical guidance on meeting a requirement contained in the Overseas Territories Aviation Requirements

### **RELATED REQUIREMENTS**

This Circular relates to;  
Her Majesty's Revenue and Customs (HRMS) Guidance Notice 554 (April 2009)

### **CHANGE INFORMATION**

Initial Issue.

### **ENQUIRIES**

Enquiries regarding the content of this Circular should be addressed to Manager Flight Operations, [civil.aviation@caacayman.com](mailto:civil.aviation@caacayman.com)

# CAACI Circular

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## **CIAC: 28-15 Tax Free Fuel for Aircraft Registered in the Cayman Islands**

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### **1. Introduction**

# CAACI Circular

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European Community (EC) Directive 2003/96EC 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 a fuel for the purpose of air navigation other than in private pleasure flying."

## 2. Applicability

All Complex General Aviation aircraft conducting Corporate Flight Operations under OTAR Part 125 and commercial aircraft registered to Cayman Air Operator Certificate (AOC) holders under OTAR Part 121 and 135.

## 3. Background

Paragraph 16 of HRMS Guidance Notice 554 (April 2009) 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 purposes of passengers or goods as an aid to the conduct of company business."*

## 4. Status of Aircraft Registered in the Cayman Islands

Cayman Island registered aircraft operated under OTAR Parts 121, 125 and 135 meet the requirement for exemption from fuel taxes while operating in EC countries.

However, Part 125 owners and operators are cautioned that some fuel suppliers and some countries in the EC may not necessarily recognize the tax exempt status of the aircraft.

## 5. Obtaining a Cayman Islands Fuel Tax Exemption Certificate

Operators wishing to obtain a Fuel Tax Exemption Certificate shall submit the application via the VP-C Online. Upon completion of the application and the applicable fee the CAACI will issue a Tax Exemption Fuel Certificate that may be produced to fuel suppliers in EC countries to confirm that the aircraft is eligible to be exempt from fuel taxes.

## 6. Definitions

- CAACI Civil Aviation Authority of the Cayman Islands
- EC European Community
- HRMS Her Majesty's Revenue and Customs
- OTAR Overseas Territory Aviation Requirements ([www.airsafety.aero](http://www.airsafety.aero))