

Treasury
Customs and Excise Division

Notice 550 MAN

Air Passenger Duty

This Notice supplements
HMRC Notices 550 and 551



November 2013
(Updated to 30 May 2018)



Isle of Man
Government

Reilrys Ellan Vannin

1. Introduction

This Notice is concerned with Air Passenger Duty (APD) due on chargeable flights from airports in the Isle of Man. Whilst the main rates and many of the general rules and legislation governing APD in the Island are the same as those in force in the UK, there are differences, and the purpose of this Notice is to highlight the main differences.

You should note that APD, unlike many other customs and excise revenues, is not a common duty under the Customs and Excise Agreement with the UK. Therefore HM Revenue and Customs (HMRC) has no involvement in the operation of APD in the Island, there is no liability to pay APD to HMRC in respect of flights departing from airports in the Island, and the legislation, public notices, rules, rulings and general procedures that apply in the UK do not have effect in the Island.

General application of HMRC Notice 550

HMRC Notice 550 is to be treated as providing necessary general interpretation and guidance, subject to the exceptions, adaptations and modifications included in this Notice. References to contact HMRC offices for advice etc should be taken as meaning contacting the Advice Centre at Custom House, Douglas. References to HMRC in the text of the Notice should generally be read as references to Customs and Excise.

APD in the Isle of Man

APD is a duty of excise which is levied on the carriage, from an airport in the Isle of Man, of chargeable passengers on chargeable aircraft. It came into effect on 1 November 1994, the same date as the UK introduced a tax of the same name.

What law covers this Notice?

The primary law on APD can be found in the Finance Act 1994 (of Parliament), in sections 28 to 44 inclusive and in Schedules 5A and 6. This is a UK Act, but the relevant provisions have been applied in Island law using other customs and excise legislation and thus they form a part of Island law.

The applied provisions of the Finance Act 1994 also provide for secondary legislation, and these regulations and orders have, where appropriate, also been applied as part of Island law.

The applied legislation will have been modified in its application, and therefore may



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not be the same as that in force in the UK.

In the following text, paragraph numbers relate to Section number of Notice 550.

2 Application of other HMRC APD Notices

Notice 551 (Special Accounting Scheme for Air Passenger Duty (APD))

Notice 551 has application as a guide providing general information and aid in interpretation, with the exception of the following -

- Paragraph 1.4 (What law covers this Notice)
- Paragraph 3.1 (Applying to use a special accounting scheme)

References to HMRC and its offices or departments should be read as references to Isle of Man Customs and Excise, and references to UK airports as references to ones in the Isle of Man (except in relation to Bands for duty purposes, which are determined in relation to distance from London). Any changes to rates of duty should be read as references to the current applicable rates.

Notice 552 (Annual Accounting)

This Notice has no application as provision for annual accounting has not been introduced into Isle of Man law.

3 Rates and structure of APD

See Section 2 of Notice 550.

The following exceptions apply -

- a. References to the "higher" rate of APD chargeable in respect of aircraft with an authorised take off weight of 20 tonnes or more and equipped to carry fewer than 19 passengers has no application in the Island;
- b. References to the reduced rate of APD for Northern Ireland, including in subparagraphs 2.1.2 and 2.1.3 should be ignored;
- c. The extension of APD in the UK to business aircraft and other smaller aircraft (i.e. those of at least 5.7 tonnes) from 1 April 2013 does not apply in the Isle of Man. Therefore any aircraft which is certificated as having an authorised take off weight of less than 10 tonnes, or fewer than 20 seats for the passengers, remains exempt from APD in the Island; and
- d. Re paragraph 2.6, if you have any doubt as to the APD liability of your passengers, please contact the Advice Centre.

4 Exemptions from APD

See Section 3 of Notice 550.

The following exceptions apply -

- a. Paragraph 3.2.3 (Scottish Highlands and Islands) has no effect in the Isle of Man.
- b. References to the APD Helpdesk should be read as references to the Advice Centre.

5 Connected flights

See Section 4 of Notice 550.

Note that a connected flight can include where a passenger departing the Island makes a qualifying connection in the UK, if the connection can be evidenced (see paragraph 4.2 of Notice 550).

6 Registering for APD

See Section 5 of Notice 550.

The following exceptions apply -

- a. Ignore references to Northern Ireland;
- b. References to UK airports should be read as references to Isle of Man airports;
- c. The "occasional operator payment" scheme is not available in the Isle of Man;
- d. In paragraph 5.3 (How do I register?) - obtain an APD 1 registration application form, and send completed applications to, the Advice Centre;
- e. Ignore references to the APD Central Collection Unit;
- f. In paragraph 5.5, references to the "UK" should be read as references to "the Isle of Man or the UK";
- g. Paragraph 5.7 (Do I need to register for a one-off flight?) does not apply in the Isle of Man. All operators having chargeable flights must register;
- h. Paragraph 5.7.1 (Occasional operators scheme) and 5.8 (What if I only operate flights at certain times of the year?) do not apply.

7 Fiscal representatives

See Section 6 of Notice 550.

References to the APD Central Collection Unit should be ignored, and references to the UK should be taken to read "Isle of Man or UK".

8 Administrative representatives

See Section 7 of Notice 550 - no changes.

9 Records

See Section 8 of Notice 550.

The following exceptions apply -

- a. Agreement for use of Special Accounting Scheme Records may be made with Customs and Excise if only Isle of Man APD is involved. If an operator has received an agreement letter from HMRC, Customs and Excise will accept this as permitting use of the Special Accounting Scheme covered by this letter for the purposes of Isle of Man APD;
- b. Ignore references to the Excise Helpline;
- c. Ignore references to the Scottish Highlands and Islands;
- d. Ignore references to Northern Ireland;
- e. Ignore reference to UK factsheet, use Manx factsheet at http://www.gov.im/media/180513/factsheet_7a_man_-_compliance_checks_-_penalties_for_inaccuracies_in_returns_and_documents.pdf

10 Returns and payments

See Section 9 of Notice 550.

Paragraph 9.3 (Payment methods) does not apply in the Island. You should contact the Advice Centre for details of how to pay any APD due.

11 Assessments

See Section 10 of Notice 550 - no changes.

12 Penalties and interest

See Section 11 of Notice 550.

- a. References to provisions of the Finance Acts 1994-2008 refer to those provisions as they have been applied in Island law and which therefore have the same effect.
- b. Reference to the APD Regulations 1994 is a reference to those Regulations as applied in Island law.
- c. References to sections 117 and 118G of the Customs and Excise Management Act 1979 should be read as references to sections 123 and 124G of the Customs and Excise Management Act 1986 of Tynwald.
- d. Refer to Manx factsheet at http://www.gov.im/media/180513/factsheet_7a_man_-_compliance_checks_-_penalties_for_inaccuracies_in_returns_and_documents.pdf

13 Security payments

See Section 12 of Notice 550.

References to the APD Helpdesk and the Central Assurance Team should be read as references to the Advice Centre.

14 Reviews and appeals

See Section 13 of Notice 550.

In addition to information on reviews and appeals mentioned in paragraph 13.1, there is further information available in Notices Appeal 1 MAN and Appeal 3 MAN on the Customs and Excise website.

15 Other changes

- a. In Appendix 2 - the forms APD 1 and APD 2 mentioned are to be read as references to those forms as issued by Customs and Excise;
- b. Appendix 3 - the examples referred to in this Appendix continue to apply after 1 April 2013.
- c. Appendix 4 (Northern Ireland rates) has no effect in the Isle of Man.

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