

FINANCE ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Section 17 Schedule 5: Rates of Air Passenger Duty

Details of the Schedule

7. Paragraph 2 amends section 30 of FA 1994. Sub-paragraph (2) inserts new subsection (8A) to provide that HM Treasury may by order amend Schedule 5A, which provides the list of territories and parts under which they are listed. Sub-paragraph (3) repeals subsections (9) to (9B) removing the definitions of “EEA State” and “qualifying territory” as well as the power to amend subsection (9A).
8. Paragraph 3 replaces section 39 of FA 1994 with a new section 39 that relates to schemes for simplified operation of Chapter 4 of FA 1994 (which relates to APD). It allows for Chapter 4 to have effect in relation to a special accounting scheme where this has been agreed between the Commissioners for HM Revenue and Customs (HMRC) and the registered operator.
9. New sections 39(3)(a) and (b) provide that a special accounting scheme is a scheme which allows the registered operator to use a method of calculation (other than one based on actual passenger numbers), that enables it to arrive at figures that it may regard as being (a) the number of chargeable passengers and (b) the rate to be applied.
10. Subsection (4) of new section 39 provides that the Commissioners for HMRC may publish the terms and conditions of such schemes.
11. Subsection (5) of new section 39 provides that where a special accounting scheme has been agreed with an operator Chapter 4 of FA 1994 has effect in accordance with that scheme (and any general terms and conditions in a notice published under subsection (4)) for the agreed period.
12. New section 39(6) provides that special accounting schemes may be varied at any time only with the agreement of both the Commissioners for HMRC and the registered operator, but only for the future.
13. Paragraph 4 amends and extends section 42(4) of FA 1994 and provides that a draft order laid and approved by the House of Commons is also required before destination territories and associated banding as set out in Parts 1 to 3 of Schedule 5A may be moved from a lower rate to a higher rate destination band.
14. Paragraphs 8(1) and (2) provide that no agreement under the new section 39 may be made so as to have effect in respect of the carriage of passengers beginning before 1 November 2009. Existing special schemes are unaffected by the new special schemes arrangements and may continue to apply in respect of the carriage of passengers beginning before 1 November 2009.