

UK Air Passenger Duty Rate Hike

OPSGROUP Team

28 March, 2023



The UK Air Passenger Duty Rates are increasing!

What:

Air Passenger Duty rates – a charge for each passenger on flights originating in the UK.

Who:

It applies to **fixed wing aircraft weighing 5,700 kg or more** (12,500 lbs) and only applies to passengers you have onboard, not your crew. It applies to private non-revenue and charter flights too.

There are some exemptions:

- Emergency, training, military, humanitarian, search-and-rescue and air ambulance flights
- Cargo flights
- Transit passengers possibly
- Tech stops so long as no-one gets on or off
- Not really an exemption, but if a passenger has an onward connecting flight it only looks at the first leg when deciding what to charge

There is also an '*opposite exemption*' which applies to passengers on flights using aircraft of 20,001 kg (44,094 lbs) or more with fewer than 19 seats. For this they **apply a premium rate** which is in fact about double the standard business/first class rate.

When:

The new rates come in from **April 1, 2023**, and will be applied for the tax year 2023-2024. (So if you're

reading this post after March 31, 2024 then this probably won't be accurate anymore.)

Where:

Everywhere in the UK.

They are based off where the journey ends outside of the UK. *"This is their final destination"* as HMRC state quite dramatically on their website.

How:

They are introducing new bands – specifically, **a new domestic band and a new ultra long-haul band**. Current rates will also increase.

- The new **domestic rate will be set at £6.50** (that's actually been reduced from £13)
- The new **Ultra long-haul rate will start at £91**

From April 1 there will be **4 (instead of the current 2) bands** – Domestic, A, B and C.

Band	Distance from London to destination capital city
A	0 to 2,000 miles
B	2,001 miles to 5,500 miles
C	over 5,500 miles

Of course, it is the UK so never just that simple. There are also **3 types of rate, based off seat pitch:**

- **Reduced:** seat pitch less than 40" (1.016m)
- **Standard:** seat pitch more than 40"
- **Higher (the premium rate we mentioned earlier):** airplane weighs 20 tonnes or more but has 19 or less seats.

If you go to this page you can see all the destinations and which band they fit into, as well as a lot of info on how to calculate your seat pitch and the rate you need to pay.

Rates from 1 April 2023

Destination bands	Reduced rate	Standard rate	Higher rate
Domestic	£6.50	£13	£78
Band A	£13	£26	£78
Band B	£87	£191	£574
Band C	£91	£200	£601

So the new ultra long-haul rate is the one that will really sting. This is for flights to countries whose capitals are over 5,500 miles from London, and so that includes key hubs like Bangkok, Hong Kong, Kuala Lumpur and Singapore, where the rate will now be as high as £601 per pax depending on how much leg room they have!

If you want more information then you can find it in several places:

- The HMRC webpage on the changes
- The HMRC webpage for checking specific rates
- Talk to **Ann Little** on the phone at 03000 586096 or by email: ann.Little@hmrc.gov.uk

Fake Navigation fees are still a problem

Declan Selleck
28 March, 2023



It's a concern: instead of sending your Nav Fees payment to Eurocontrol, you've actually sent it to some guy sitting in his underpants in his mother's basement. And you're not going to get it back.

We've seen an increasing variety of scam emails, that at first glance look like they are from Eurocontrol – but aren't. Here's a good example from this week:

From: Alexandre Skonieczki
 Date: June 15, 2020 at 7:29:41 AM EDT
 Subject: open payment- eurocontrol
 Reply-To: alexander.skonieczki@eurocotrolint.in

Dear Colleagues,

We have sent a couple of letters to you, but no response, could you please let us know the status of outstanding with respect to Air navigation and communication charges on review of your files, we discovered that these invoices in reference to your flight charges dated 15-02-2020 and 15-02-2020 for QPSIX (reference 05/044579/56/1906/01 and 05/044579/56/1907/01) are still in arrears, please kindly confirm the status of these invoices, that is let us know if payment has been made or not by providing a copy of the bank swift confirmation payment proof to enable us reconcile and update your account accordingly.

Note also that, the wire transfer and banking details have changed and the new payment instructions will be sent to you

prior to the next payment run, please advise accordingly, so that we can forward details promptly.

Thanks for your cooperation, we await your prompt advise.

Yours faithfully,

Alexandre Skonieczki

COLLECTION OF CHARGES
 CRCO/CAT/ACCOUNTING
 EUROCONTROL
 Rue de la Fusee 96130
 BELGIUM

You'd be forgiven for glancing over it and responding to request the details of 'their' new bank account. And that's where the problem begins – you'll get a new bank account, only it won't direct your money to Brussels.

IATA has the same issue:

Dear Sir,

Your company still have IATA invoices that are overdue for payment , Kindly check your records and get back to us as soon as possible if payment has been made we would appreciate if you could send us a copy of the Invoice... Failure to do so may lead to sanctions

Expecting your usual prompt co-operation

Best Regards,

Karen Welsh

Accounts /Invoicing

International Air Transport Association

IATA Head Office , 800 Place Victoria

Fortunately, most of these emails are poorly written, and easy enough to identify as bogus – but that’s only if you are on your guard. The best solution is to simply be aware of the risk:

Eurocontrol

1. Look at the sender address: real emails come from **eurocontrol.int**. Fake ones look similar, but might be something like *@eurocontrolinc.com* or *@eurocontrolint.in*.
2. Most of the emails ask for a copy of an invoice or payment – be suspicious when you read that.
3. Be especially alert when the email mentions a **change in bank account**. Eurocontrol has no plans to change bank accounts any time soon.
4. Best advice: write to the real address: **r3.crco@eurocontrol.int** and ask for confirmation of any message, or call the Route Charges office on +32 2729 3838.
5. The most secure way to handle Eurocontrol charges and payments is through their CEFA portal.

IATA

1. Most recent fake addresses: *invoice@iatahelpdesk.org*, *payments@iataaccounting.org*
2. Contact the real address: **information.security@iata.org**

The Air Charter Association have also warned that scammers have recently targeted business deals where operators charter out their aircraft to brokers. Similar to the fake IATA invoices scam, but more elaborate. Bottom line, if you’re chartering out your aircraft — or if you’re chartering one yourself — work with a reputable broker and triple-check all contact details (email addresses as well as phone numbers) and bank account details before pushing the button on any money transfers.

Even the mighty Japan Airlines fell victim to a targeted email scam back in 2017 which defrauded the company of JPY384 million yen – the equivalent of around USD \$3.4 million. The airline received a series of emails purporting to be from a U.S. financial services company that had been leasing aircraft to Japan Airlines. Not realising it was scam, JAL promptly paid the money into a Hong Kong bank account, as requested. It was only later discovered to be fraudulent, when the genuine U.S. company demanded payment!

Have you been the target of similar scams? Let us know! – and we'll add it to the list of dodgy email addresses and common scams.