



# **Joint ICAO/AFCAC Symposium Kampala, 17-19 August 2009 Session 1 ICAO's Policies on Taxation (Doc 8632)**



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## **Doc 8632**

- **Foreword**
- **Introduction**
- **Section I: Council Resolution on taxation of international air transport**
- **Section II: Commentary on the Council Resolution**





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# **1) Taxation of fuel, lubricants and other consumable technical supplies**

- **Adverse economic and competitive impact on international air transport**
- **Article 24 (a) of the Chicago Convention: exempt taxes on fuel and oil**
- **Reciprocity clauses**
- **Fuel, oil, de-icing/hydraulic/cooling fluids**





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## **2) Taxation of income of international air transport, aircraft and other movable property**

- **Multiple taxation can be prevented by reciprocal agreement of States**
- **Lack of reciprocal exemption = multiple taxation**
- **Exemptions widely obtained through provisions in bilateral agreements aimed at avoidance of multiple taxation**





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### **3) Taxes on the sale and use of international air transport**

- Retard the further development of international air transport
- Increase costs to operators, travellers and shippers
- Subject the traveller to considerable inconvenience
- States to reduce and eliminate taxation on the sale or use of international air transport + notify ICAO





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# Assembly Resolutions in Force (as of 28 September 2007) – Doc 9902

## Part III. Air Transport Appendix E – Taxation

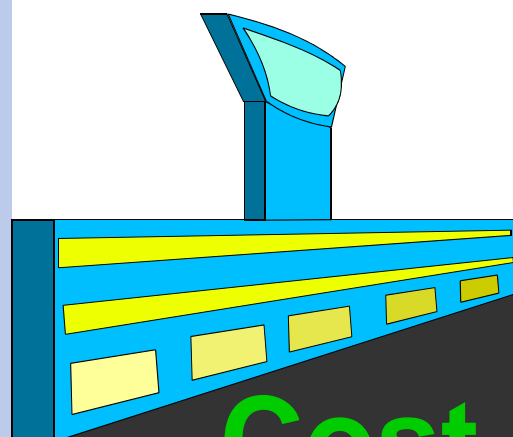
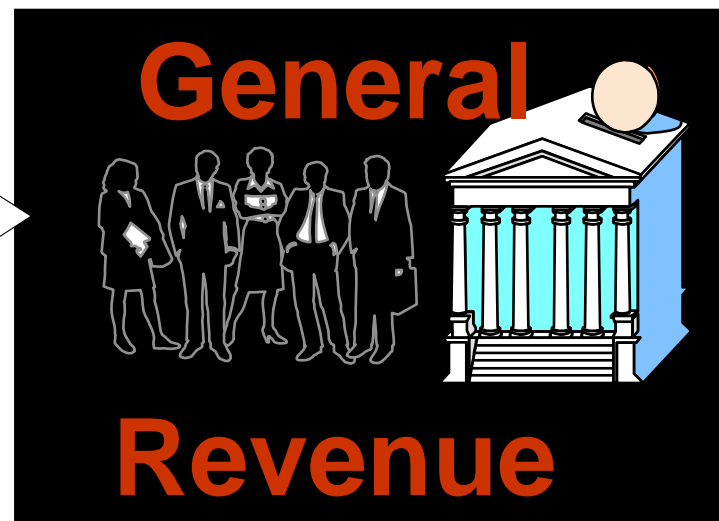
*“In view of the proliferation of taxes and charges on air traffic, some of which can be categorized as taxes on the sale or use of international air transport...”*

1. States to follow Resolution in Doc 8632
2. Council to ensure Doc 8632 is current and responsive to requirements of Contracting States

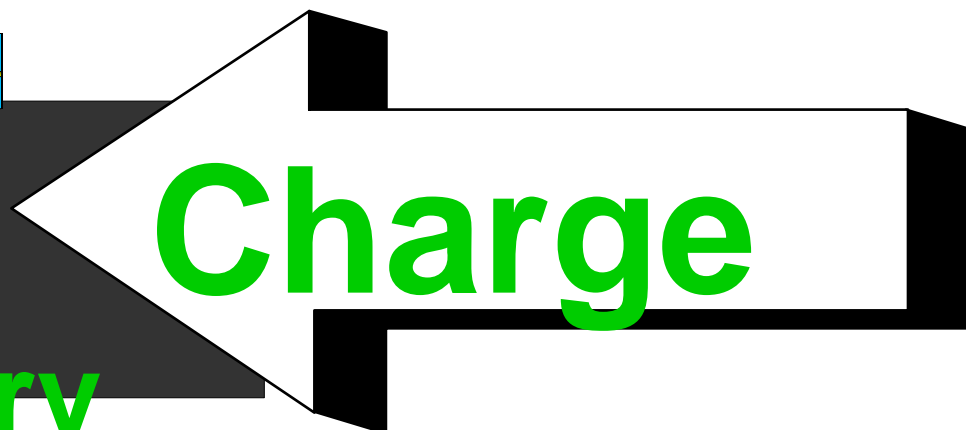




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~~Taxes~~

Charges