

Taxing Times

Lobbying governments and policy makers on rules and regulations

“The evidence Ascend provided was vital in helping saving UK airlines millions of pounds”

Roger Wiltshire, Secretary General, BATA



Industry
Trade Association

Country
UK

COMPANY PROFILE

British Air Transport Association (BATA) is the trade association for UK-registered airlines. BATA brings together member airlines to develop common positions on a wide range of industry issues. Its role is to represent the industry to government, regulators and the media.

THE SITUATION

BATA was challenging the UK Inland Revenue over the introduction of a new tax regime, which had serious financial consequences for the commercial aviation industry.

In defining capital allowances, the UK Inland Revenue had re-classified aircraft as “long-life assets”, meaning wide-bodied aircraft in particular could be graded under a different, more punitive tax regime.

BATA required solid and reliable evidence to back up its claim that aircraft could not be categorised as long-term assets, as airliners do not continue in active commercial service, in their primary role, after 25 years.

THE SOLUTION

Ascend was approached by BATA to deliver a detailed report supporting BATA’s interpretation of the classification of aircraft and invited to undertake an active role in the lobby group which challenged the UK Inland Revenue.

Utilising a comprehensive range of airline and aircraft fleet data from the Ascend Online database, which comprises market data and technical information for over 100,000 aircraft, Ascend was able to demonstrate that the average age of a commercial aircraft was just 22 years at the time of BATA’s challenge.

THE RESULT

Equipped with Ascend’s data and report, BATA was successful in challenging the Inland Revenue in its re-classification of aircraft as “long-life assets”. The parties agreed to “The BATA Compromise” which outlined that just 50% of an aircraft’s value could be deemed as a long-life asset. The BATA compromise has ultimately saved British airlines millions of dollars in tax.