

APPENDIX E: BROAD OVERVIEW OF THE PROVISIONS IN THE UK FINANCE BILL 2012

- Gives statutory effect to the rate reduction applied to certain flights departing from Northern Ireland for the period 1 November 2011 to 31 March 2012 (the same APD rate applies for Band B, C and D long haul flights as applies to short haul Band A flights – £12 and £24). The relevant flights are those where the journey is direct to long haul destinations or, where more than one flight is involved, the first connection is made in a long haul destination. The current rates are set out below - for Northern Ireland flights there is only one band rate (A) for all flights. Rates for 1 April 2012, as proposed in the legislation, are set out in brackets

Destination Bands and distance from London	Reduced rate (for travel in the lowest class of travel available on the aircraft)	Standard rate (for travel in any other class of travel)*
Band A (0-2000 miles)	£12 [£13]	£24 [£26]
Band B (2001-4000 miles)	£60 [£65]	£120 [£130]
Band C (4001-6000 miles)	£75 [£81]	£150 [£162]
Band D (over 6000 miles)	£85 [£92]	£170 [£184]
* However, if a class of travel provides for seating in excess of 1.016 metres (40 inches) then the standard (rather than the reduced) rate of APD applies.		

- Provides for a general increase in APD rates from 1 April 2012 (as set out above) and also provides for a rate reduction for certain flights departing from Northern Ireland for the period from 1 April 2012 (the same APD rate will apply to Band B, C and D long haul flights as will apply to short haul Band A flights – £13 and £26). The relevant flights are as previously set out.
- Devolves to the Northern Ireland Assembly the rate of APD to be applied to passengers on direct long haul flights that take off from Northern Ireland (Bands B, C and D). This change will have effect on or after a day to be appointed by Order. It is likely that this date will be late 2012 at the earliest or 1 April 2013. The change will apply to those flights that begin from Northern Ireland and do not end in the UK or within 2000 miles from London (largely destinations within the UK and EU), that is direct long haul flights.
- Provides for the setting up and maintenance of a separate register of aircraft operators with routes from Northern Ireland and for the disclosure of information related to the duty on direct long haul flights.

- Extends the scope of APD to private jets as well as changes to reflect the devolution of direct long haul APD rates to the Assembly. These changes would apply from 1 April 2013.
- Makes consequential legislative amendments concerning payments into the Northern Ireland Consolidated Fund. As you will be aware the Executive will have to fund the revenue foregone from the APD reduction.