



Italy

The aero-taxi tax, airport access restrictions and illegal flights, it's enough to make you want to move your operation off-shore; a decision that some Italian operators have already taken. Unfazed by this, the remaining ones are joining forces to explain the value of business aviation to politicians and regulators. With the help of the Italian Business Aviation Association (IBAA) and the European Business Aviation Association (EBAA), they might even achieve something.

The question of what their core objectives should be, dominated a recent meeting of operators, airports, suppliers and the Italian Aviation Authority: ENAC.

Illegal Flights

Operate a flight under an AOC and you can expect frequent and rigorous checks. Operate one under non-commercial rules, and you'll get a light-touch approach. It's an unjustified imbalance according to Italian operators, especially when you consider that passengers sometimes pay for so-called non-commercial flights.

EASA should do something about it and a good place to start would be checks on non-commercial flights to ensure no money has changed hands. According to participants in the meeting it's the EBAA's job to convince EASA to make this happen.

Performance Based Oversight (PBO)

Authorities often talk about moving from a prescriptive oversight approach to a performance based one, but authorities rarely see it in action.

According to Marco Rosati of the Italian operator C.A.I., some officials at the Italian Aviation Authority (ENAC) want to make the leap. The authority recently organised a workshop for operators on PBO, which should form the basis for further collaboration. It's important to keep the momentum he said, or else Performance Based Oversight will become a slogan used by upper management at aviation authorities, but rarely practised by rank and file officials.

Perception of Italian Business Aviation

Is registering an aircraft in Italy a slow and burdensome process? The perception outside of Italy would have it this way, making people unwilling to bring their aircraft to the country. However, operators pointed out that registering an aircraft in Italy is relatively straightforward, sometimes taking as little as one day. IBAA chairman Pietro Zaccari said that his association could certainly help by promoting the registry outside of Italy.

Airport Access

In many ways Rome Ciampino looks like the ideal bizav destination. It boasts a private aviation terminal, a management with a strong understanding of the sector, and until recently unlimited slots for general aviation. But as the saying goes, if it sounds too good to be true, it probably is.

The Italian Ministry of Environment recently decided to restrict general aviation slots to 61 flights a day, opening up the prospect that certain bizav flights won't have access to Rome in the future. Fortunately, on foot of an appeal; the Italian Administrative Court suspended the decision until January 2020, giving the industry a window to prevent the decision from becoming a reality. The sector can do its bit too. As the cap is linked to an environmental noise restriction, Pietro Zaccari stressed that all operators should respect the airport's noise abatement procedures, which will allow the sector to build up some goodwill with authorities.

Italian Luxury Tax

The Italian Aero Taxi Tax has had a detrimental impact on Italian business aviation. An EBAA study showed that from 2012, when the tax was introduced till 2016, business aviation departures fell by almost 20%, whereas on average departures grew by 3% across Europe in the same period. The IBAA has made numerous attempts to convince politicians to abolish this tax, but to no avail.

As if the tax wasn't bad enough in itself, the way it's collected, creates multiple administrative headaches. Italian companies can pay by filling in the F24 form, but non-Italian operators must simply transfer the amount to an Italian state bank account. There are a few disadvantages here. Firstly, non-Italian operators less likely to pay the tax, with estimates suggesting that as much as



70% of tax levied internationally goes unpaid. It's an uneven playing field, say Italian operators, who in effect pay more for their Italian flights than their non-Italian counterparts.

The irony is that many non-Italian operators are willing to pay, but don't, as they receive neither a receipt nor an invoice, leaving them unable to justify the payment to their own tax authorities.

Some operators even wait until they receive a late fine, just so that they have a piece of paper to back up the payment.



The solution to all of this is relatively straightforward. Airports should collect the tax on behalf of the Italian government. This would remove the perceived uneven-playing field between Italian and non-Italian operators; allow non-Italian operators to justify the payments; and make it easier for the Italian government to collect what is owed to it.

Representatives from Ciampino, Milan Linate and Cagliari airports are in favour and participants agreed that within a one-year period they would aim to convince the Italian Ministry of Finance to change the way that the tax was collected.

This report is based on a meeting 37 representatives from Italian business aviation operators, suppliers, and the Italian Civil Aviation Authority (ENAC).

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Location: Ciampino Airport (CIA), Via Appia Nuova, Rome, Metropolitan City of Rome, Italy

Action Item: IBAA asks EBAA to convince EASA to start would be checks on non-commercial flights to ensure no money has changed hands.

IBAA to work with authorities to ensure that General Aviation cap in slots at Ciampino is not introduced.

IBAA, EBAA, and Ciampino, Milan and Cagliari Airports to convince Italian Ministry of Finance to allow airports collect the Italian Aero-Taxi Tax.