

## Airworthiness Preference Update

CDS has now been updated to correctly apply airworthiness preference to aircraft parts. It is no longer necessary to apply the workaround of using a manual calculation of the charges with an override in order to claim airworthiness preference. Zero rating of aircraft parts has been partially delivered and we are working to complete this requirement

### In order to claim airworthiness preference –

- Trade Tariff published @ [Trade Tariff: look up commodity codes, duty and VAT rates - GOV.UK \(www.gov.uk\)](#) must show Airworthiness Preference against the commodity code
- DE 2/3 must include document code C119 and the identification of the Authorised Release Certificate (formerly known as an Airworthiness Certificate)
- DE 4/17 must be declared as 119

### Notes:

Requested procedure code 44 should **not** be used when claiming airworthiness preference, because this is no longer considered to be covered by End-Use/Authorised use.

If the goods are not covered by an Authorised Release Certificate and the commodity code permits End-Use/Authorised Use, then the goods can be entered to End-Use/Authorised Use instead of claiming airworthiness preference. In this case the goods would be entered using a 44 series procedure code and follow the completion instructions for the procedure code. In such cases, the preference code must relate to End-Use/Authorised Use rather than airworthiness preference.

### Zero rating of Aircraft Parts

If the aircraft parts qualify for zero rating (see [Ships, trains, aircraft and associated services \(VAT Notice 744C\) - GOV.UK \(www.gov.uk\)](#) ) –

#### Option 1

- Trade Tariff published @ [Trade Tariff: look up commodity codes, duty and VAT rates - GOV.UK \(www.gov.uk\)](#) must show that the commodity permits a VAT rate 0%
- DE 6/17 National Additional Code must include VATZ
- DO NOT declare DE 1/11 code 1RV or DE 2/2 code RVAT1

#### Option 2

- Trade Tariff published @ [Trade Tariff: look up commodity codes, duty and VAT rates - GOV.UK \(www.gov.uk\)](#) shows that the commodity code DOES NOT permit a VAT rate 0%
- DE 1/11 code 1RV can be used as a workaround
- DE 2/2 code RVAT1 with text “Aircraft Parts Zero Rating”
- DO NOT declare DE 6/17 code VATZ

### Additional Note

TDR is not expected to be updated until 16<sup>th</sup> February 2023, so whilst Airworthiness Preference is available in the live system, it will not be available in the testing environment until after 16<sup>th</sup> February