



News Release

Contact: Nadine El Hassan
Public Relations Regional Leader
Deloitte Middle East
Tel: +961 (01) 748 444
Email: nelhassan@deloitte.com

Deloitte: Developments in ME aviation sector should prompt airlines to effectively manage their tax footprint

-Deloitte: Airlines in the Middle East show significant success in the last 10 – 15 years

26 March, 2015 – Recent infrastructure developments such as the refurbished runway at Dubai, the mid-field terminal project at Abu Dhabi, the opening of Hamad international in Doha, extensive upgrades at Bahrain, and the new Muscat International Airport, showcase the commitment to the aviation sector in the Middle East region.

[Deloitte](#) held its ninth annual Middle East conference which had as theme ‘Adapting to regulatory change’ during which it addressed the recent changes in regulation and tax reform in the region. Hundreds of Deloitte clients and partners gathered to discuss the current tax environment, including aviation tax, and share views on some of the key tax and economic drivers influencing activity in the region during 2015 and beyond.

“Tax has long had an uncomfortable relationship with the aviation industry,” explains Nauman Ahmed, Deloitte Middle East [tax](#) practice leader. “Many in the industry consider the way airlines are taxed is overly burdensome, yet faced with fiscal realities and non-coterminous business and political cycles’, arguing against tax is unlikely to be a fruitful long-term strategy. Airlines need to effectively manage their tax footprint globally and pay what is owed at the right time”.

During the two-day Deloitte conference, participants addressed the recently generated tax regimes in the region, in addition to the latest fiscal trends which are affecting taxation worldwide. These trends include the desire to foster investments and entrepreneurialism, facilitate global trade and compete internationally, as well as the increased scrutiny on the transparency of tax planning.

“The buzzword in this agenda is transparency - what is being paid, where it is being paid and why. There is a desire to make paying taxes more straightforward, thus creating a system that allows global trade and businesses to flourish,” explained Alex Law, partner, international tax services at Deloitte Middle East.

“We are seeing some real opportunities for airlines in this region to deploy some class leading technologies to better manage their tax footprint. There are some tremendous opportunities for airlines to further strengthen their product (particularly their loyalty schemes) with some significant additional aspects related to tax,” explained Stuart Halstead, senior manager, aviation tax services at Deloitte Middle East.



During the event, Deloitte released its 2015 Annual Middle East Tax Handbook, highlighting the most recent tax rules and regulations governing the region.

To download the Deloitte 2015 Annual Middle East Tax Handbook, click on: <http://bit.ly/1CrCBM7>

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Deloitte is among the region's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with around 3,000 partners, directors and staff. It is a Tier 1 Tax advisor in the GCC region since 2010 (according to the International Tax Review World Tax Rankings). It has received numerous awards in the last few years which include Best Employer in the Middle East, best consulting firm, and the Middle East Training & Development Excellence Award by the Institute of Chartered Accountants in England and Wales (ICAEW).