



NEWS BRIEF

IATA Urges Brazil to Preserve International Air Connectivity and Competitiveness in Tax Reform Implementation

28 August 2026 (Sao Paulo, Brazil) - The International Air Transport Association (IATA) urged the Government of Brazil to ensure that the implementation of the country's Tax Reform preserves international air connectivity, maintains Brazil's competitiveness as a global aviation market and supports continued investment, while taking into account the sector's specific requirements for its technical implementation.

This message was conveyed by a delegation of airline industry representatives comprising three trade associations and 13 airlines from the Americas, Europe, Africa and the Middle East, who met in person with the following government stakeholders in Brasilia from 18-20 August: The Vice President of Brazil, the Ministry of Tourism, the Ministry of Foreign Affairs, the Ministry of Ports and Airports, EMBRATUR (the National Tourism Agency), the Federal Revenue Service and the Civil Aviation Authority (ANAC).

"On behalf of the aviation industry I would like to thank all government representatives for the time they dedicated to our delegation. We truly value the open and constructive atmosphere in which the conversations were conducted. I would like to stress again that the aviation industry is not seeking special treatment, but we need to ensure that Brazil's rules are aligned with internationally accepted best practices adopted across the aviation sector. It is our aim to contribute technical expertise to support the successful implementation of the reform," said Peter Cerdá, IATA's Regional Vice President for the Americas.

The Tax Reform needs to remain consistent with Brazil's international obligations and established aviation principles. Existing regulatory mechanisms can help provide legal certainty while supporting the reform's objectives. IATA recognizes Brazil's Tax Reform as a landmark modernization initiative. As regulations for the Tax on Goods and Services (IBS) and the Contribution on Goods and Services (CBS) are developed, the airline industry encourages authorities to adopt the following practical measures that protect Brazil's role as a major international aviation market.

- 1. Preserve tax neutrality for international air transport.** International air transport should continue to be recognized as an export of services and retain its traditional tax-neutral treatment, consistent with longstanding international aviation principles and the approach used in many jurisdictions worldwide. If full neutrality cannot be achieved, alternative mechanisms such as zero-rating should be considered to prevent counterproductive increases in the cost of international connectivity and maintain Brazil's competitiveness.

2. **Ensure practical implementation.** The implementation framework should reflect the unique characteristics of international aviation, including global reservation, ticketing, settlement, invoicing, and compliance systems. Requirements should be clear, predictable, and compatible with internationally recognized industry standards.
3. **Provide aviation-specific compliance solutions.** Where sector-specific challenges exist, authorities should provide tailored measures, including differentiated compliance requirements, phased implementation timelines, and regulatory flexibility. Particular attention should be given to electronic invoicing and related obligations to avoid operational disruptions and unnecessary administrative burdens.

"Brazil's Tax Reform represents a unique opportunity to modernize the country's tax system. A variety of action items both for the government and the industry – such as exchange of data, issuing of technical contributions, participation in seminars and workshops were agreed upon during our meetings in Brasilia. We remain committed to continued constructive dialogue with the Brazilian Government, especially with the Ministry of Finance, to ensure that the Tax Reform achieves its modernization objectives while preserving Brazil's international connectivity, competitiveness, and long-term growth," said Cerdá.

Airlines allocate capacity and investment across competing global markets, making regulatory certainty, operational efficiency, and market attractiveness essential. With Brazil experiencing strong international traffic, which is a key driver for tourism, the implementation of the Tax Reform should avoid unintended costs, complexity, or uncertainty.

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Notes for Editors:

- IATA (International Air Transport Association) represents over 370 airlines accounting for some 85% of global air traffic.
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- [Fly Net Zero](#).