




• YACHTING AND MARITIME SERVICES FROM MALTA •



CORPORATE SERVICES



*“Trust is built with
consistency.”*

— by Lincoln Chafee



About Döhle

Döhle Corporate and Trust Services Limited (DCTS) is a leading independent corporate and fiduciary service provider specialising in managing corporate and trust structures on behalf of multinational corporations, high net worth individuals and professional advisors.

DCTS has a client type weighted toward a maritime and luxury asset proposition (commercial ships, yachts and business jets) but as the business has grown and matured has also helped clients with a very diverse set of needs including commercial property structuring and investment management.

Our reputation is grounded in our clients' confidence in our ability to excel. We combine a world class infrastructure, keen technical knowledge and an intimate understanding of our clients' needs and aspirations to provide a personal service inspired by a tradition of precision and trust.

Döhle in Malta

DCTS (Malta) Limited was established in 2012 and officially opened its doors in Malta on 16th September, 2013. After a modest beginning in an office in Floriana, in September 2014 we moved to our beautiful new offices in SmartCity Malta. The office is staffed by experienced personnel well versed on the benefits of Malta as a financial services jurisdiction.

• I N S P I R E D P R E C I S I O N •



• YACHT REGISTRATION •

Building on its long and varied maritime tradition, Malta, a member of the European Union, has today established itself as one of the leading maritime hubs and service centres in the Mediterranean region.

Placed to become an international centre of excellence in the maritime industry, the Island offers a whole range of maritime services and facilities as part of a comprehensive package for the industry.

The Malta flag is today a reputable international ship register, which is established as the largest in Europe and the seventh in the world.

Registration is conducted in two stages:

- **Provisional Registration:** Vessel will be issued with a provisional certificate of registration for a six month period during which the yacht may navigate freely.
- **Permanent Registration:** Obtained after acquiring all necessary documents during the provisional registration period.





Some Benefits of Registration Under the Malta Flag

- High-level quality administrative services with twenty four hours, seven days a week service in respect of urgent matters
- Vessels may be registered in the name of legally constituted corporate bodies or entities irrespective of nationality, or by European Union citizens
- Security offered by Maltese law to financiers/mortgagees of Maltese registered vessels
- The procedures for company formation and yacht registration are straightforward with minimum restrictions and are low in costs
- No restrictions on the nationality of the master, officers and crew
- No restrictions on the sale or transfer of shares of a company owning a Maltese yacht

In conjunction with our Isle of Man office we provide the option to register vessels in a number of other jurisdictions according to the needs and wishes of our clients



• YACHT LEASING IN MALTA •

With the introduction of the VAT Department's guidelines for the VAT treatment of yacht leasing, a Maltese company can benefit from significantly lower effective rates of VAT.

Importance is given to the percentage of time that a yacht spends sailing within EU territorial waters. Given that it is very difficult to trail the movements of a yacht, these guidelines explain how to determine this percentage, which is based on the length of the boat and its means of propulsion.

VAT on the lease shall be paid at the standard rate applied to the percentage established, resulting in a lower effective rate of VAT.



Main Features of Yacht Leasing Guidelines

- The lessor must be a Maltese company set up with the purpose of acquiring the yacht. It must be VAT registered in Malta
- A lease agreement must be entered into whereby the lessor leases the yacht to the lessee in return for a consideration
- The lessee may be a Maltese or foreign individual or company
- The term of the lease must be longer than 12 months and shorter than 36 months (typically 12 months)
- An initial contribution amounting to 40% of the value of the yacht shall be paid at the beginning of the lease
- The balance shall be payable in monthly instalments
- The lease instalments shall be payable every month and VAT is paid every quarter
- Following payment of VAT for the first quarter of lease payments, a provisional VAT-paid certificate shall be issued



- At the end of the lease, the lessee may opt to purchase the boat for not less than 1% of the original value of the yacht. Standard rate of VAT applies
- If the lessee opts to purchase the yacht at the end of the lease, a VAT - paid certificate will be issued to the lessee, provided all VAT has been paid
- The yacht must be physically imported into Malta at the commencement of the lease period
- Prior approval of the value of the yacht and the applicable percentage of the lease subject to VAT shall be sought in writing from the Commissioner of VAT. The percentage is related to the use of the yacht in EU territorial waters as per the table below

Type and length of yacht	% of lease subject to VAT	Effective rate of VAT
Sailing boats/motor boats: + 24 metres	30%	5.4%
Sailing boats: 20.01 - 24 metres	40%	7.2%
Motor boats: 16.01 - 24 metres	40%	7.2%
Sailing boats: 10.01 - 20 metres	50%	9%
Motor boats: 12.01 - 16 metres	50%	9%
Sailing boats up to 10 metres	60%	10.8%
Motor boats: 7.51 - 12 metres (if registered in the commercial register)	60%	10.8%
Motor boats up to 7.5 metres (if registered in the commercial register)	90%	16.2%

• YACHT IMPORTATION IN MALTA •

A yacht owner can bring the yacht into free circulation within the European Union by importing it into Malta. To obtain the relevant import documentation, the yacht needs to visit Malta and undertake the necessary VAT and customs formalities. We can assist yacht owners in this procedure.





• SHORT TERM YACHT CHARTERING •

The new guidelines for the VAT treatment of short-term charters issued in 2013 benefit applicants due to significantly lower effective rates of VAT.

A short-term charter is an agreement whereby the yacht owner contracts the use of the yacht with a crew, or on a bare-boat, to a third party, for a period not exceeding 90 days and in exchange for a consideration.

The place of supply is the actual place where the yacht is placed at the disposal of the customer. However, VAT is limited to the portion of time that the yacht is used within EU territorial waters.

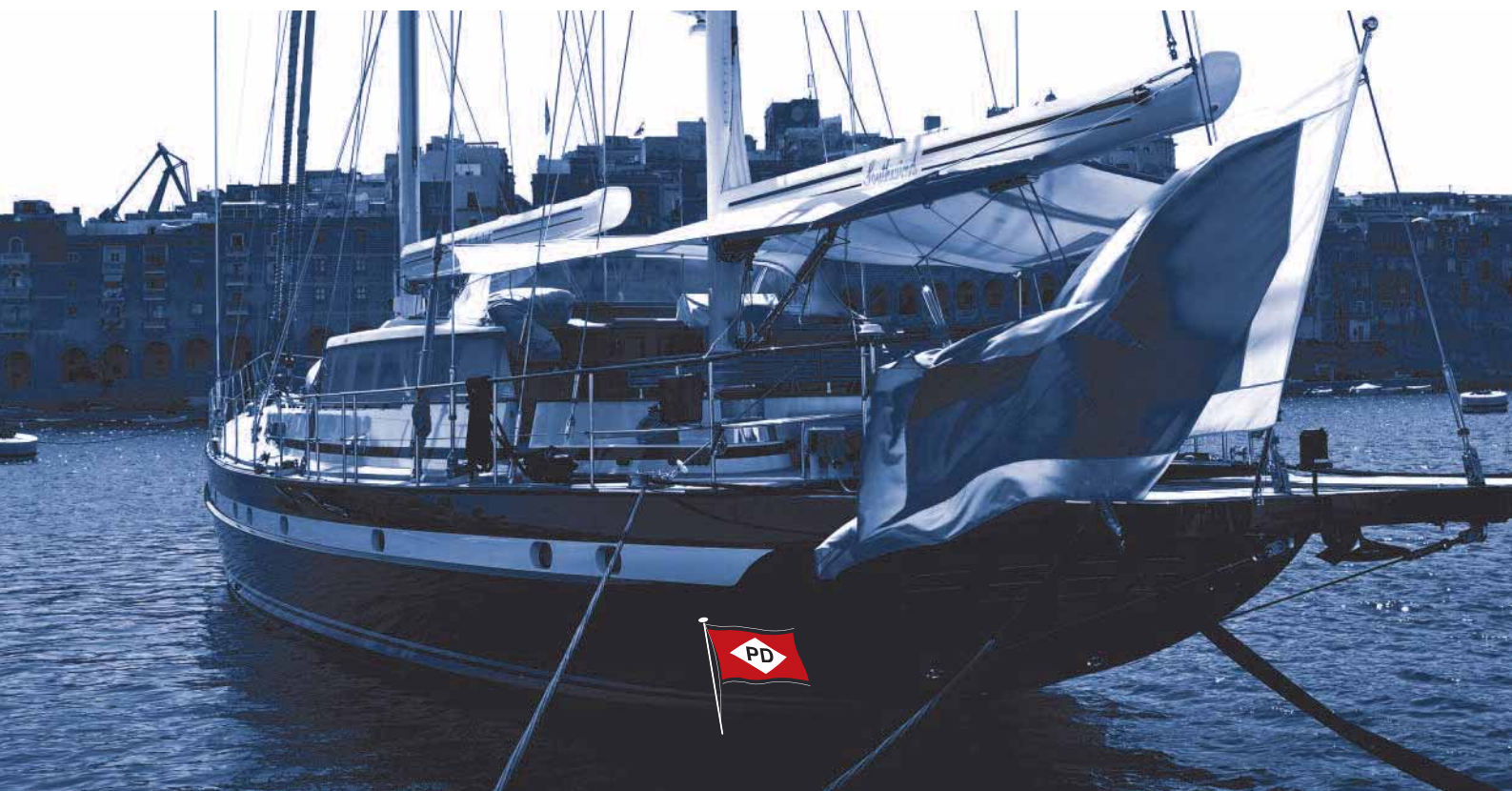
It is very difficult to trail the movements of a yacht and determine the portion of time it spends within EU territorial waters. These guidelines explain how to determine this percentage.



Main Features of Yacht Chartering Guidelines

- The owner of the yacht must be VAT registered in Malta
- The chartering contract must indicate the place where the charter will commence (i.e. Malta), the charter price and a statement that the yacht shall sail outside EU waters
- Upon application, the applicant must provide the VAT Department with sufficient documentation for the identification of the yacht
- Approval must be sought in writing from the VAT Department
- Following submission of all documentation, and provided all requirements are met, the applicant shall receive a written notification stating the applicable percentage of the charter, which shall be subject to VAT as per table (below)

Type and length of yacht	% of charter subject to VAT	Effective rate of VAT
Sailing boats/motor boats: + 24 metres	30%	5.4%
Sailing boats: 20.01 - 24 metres	40%	7.2%
Motor boats: 16.01 - 24 metres	40%	7.2%
Sailing boats: 10.01 - 20 metres	50%	9%
Motor boats: 12.01 - 16 metres	50%	9%





• MALTA'S ATTRACTIVE CORPORATE TAX SYSTEM •

The combination of Malta's tax system and its extensive double tax treaty network with the majority of OECD countries means that, with proper planning and structuring, investors can achieve considerable fiscal efficiency using Malta as a base.

All Maltese companies pay tax at the rate of 35% but, as with all imputation systems, shareholders receive full credit for any tax paid by the company on distributed profits.

Malta grants relief from double taxation under the credit method. The Maltese tax regime governing double-taxation relief includes not only treaty relief but also unilateral relief, and thereby ensures that income arising from overseas is not subject to double-taxation, even if there is no double-taxation agreement in existence.



Main Features of the Malta Tax System

- Full tax exemption for dividends and gains derived from qualifying subsidiaries
- Full tax exemption for royalties derived from qualifying patented inventions and copyrights
- Double-taxation relieved by availability of foreign tax credit
- Only EU member state with full imputation system
- Tax refunds for qualifying shareholders with the net final effective tax rate of 0% to 10%
- Participation exemption for income derived from a participating holding
- Source and remittance basis of taxation for Malta resident, non-domiciled persons
- No domestic withholding tax on outbound dividends, interests and royalties
- No thin-capitalisation rules
- No controlled-foreign-company legislation (CFC rules)
- No official transfer pricing rules
- No entry or exit taxes
- Possibility of obtaining Advanced Tax Rulings from the tax authorities



• OUR SERVICES •



In conjunction with our Isle of Man office we provide the following services:

- Registration of vessel in Malta or other jurisdiction
- Creation and management of tax efficient ownership structures
- Tax and VAT management
- Assistance with vessel importation and delivery
- Accountancy and financial services
- Liaison with maritime authorities and other relevant authorities
- Yacht leasing and chartering advice
- Crew recruitment and financial management
- Crew contacts and payroll
- Compliance and technical





Malta

SmartCity Malta, SCM 02 Unit 301,
SCM1001, Ricasoli, Malta

t +356 2744 0305

e malta@doehlecorporatetrust.com

Isle of Man

Fort Anne, Douglas, Isle of Man,
IM1 5PD, British Isles

t +44 (0)1624 649510

e info@doehlecorporatetrust.com