



Yacht Registration in Malta

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A yacht may be registered under the Maltese flag via two methods: by appointing a Maltese registered agent or by incorporating a Maltese company and registering the yacht in its name. The yacht owner has a choice of two types of companies depending on whether he wishes to disclose his identity or not: an onshore holding company where the owner would appear as a shareholder (and thus would reveal he is the owner) or an onshore holding nominee company whereby the owner would appoint nominees to act as shareholders.

Depending on its use, a yacht may be registered either as a commercial yacht or as a pleasure yacht. Companies operating yachts on a commercial basis, such as chartering, may benefit from various fiscal advantages. For commercial and pleasure yachts, registration under the Malta flag is done in two stages:

Firstly the yacht will be registered for a six months period, known as **Provisional Registration**, during which the yacht may navigate freely with a provisional certificate of registration giving time to the owner to prepare the necessary documentation for permanent registration and cancelling the yacht from previous registration in another registry. At this point the bill of sale in favour of the applicant is not needed; hence the owner may use this as a trial period. The provisional period may be extended for two further periods of three months each. Should the owner be happy with the vessel and obtain all the necessary documentation, the next step would be to apply for **Permanent Registration**.

The procedure for registration is very similar for both commercial and pleasure yachts, the only difference being that commercial yachts must fulfil certain criteria set out in the Commercial Yacht Code, 2006. The Code applies to commercial yachts that do not carry cargo, do not carry more than 12 passengers and are operated by the owner or the company owning the vessel for commercial use. The Code categorizes yachts into three distinct classes depending on size and gross tonnage and for each class, a level of safety standards must be observed. For registration the following documentation is required:

- A signed application by the owner or an authorised representative (power of attorney must be provided in such scenario), including an application for change in name of the vessel if required.
- Proof of qualification to own a Maltese Yacht; in the case of a body corporate, a copy of the incorporation certificate
- In the case of non-residents, registration must be carried out by appointing a registered agent
- A declaration of ownership made before the Registrar by the Owner or by an authorised representative
- A bill of sale or any other document evidencing how the vessel has been transferred to the current owner; or a builders certificate if the yacht is new or has never been registered under another flag
- A cancellation certificate from the previous port of registration (if applicable)
- If the yacht is over 24m in load line length in terms of Article 2 (8) of the Load Line Convention, an International Tonnage Certificate (ITC 1969) and a Certificate of Survey will be required. The latter may be provided by an approved Government surveyor of ships in Malta or by a recognised organisation. If the yacht is under 24m in load line length, only a certificate of survey (tonnage measurement) issued by an authorised surveyor will be necessary
- A certificate of compliance to trade as a commercial yacht following a successful survey in accordance with the Maltese Commercial Yacht Code
- For yachts over 24m in length, application for a Minimum Safe Manning Certificate shall be required.
- For yachts over 300 GRT a Radio Certificate will be required, while yachts under 300 GRT, will have to pass through a Radio Inspection carried out by an approved radio inspector
- For commercial yachts over 500 GRT a copy of the latest Continuous Synopsis Record issued by the administration where the yacht was last registered
- Payment of initial registration fees and annual tonnage tax

If not all conventional certificates are available and presented to the Registry, the yacht will be issued with a non-operational certificate of registry.

A certificate issued by the Maltese Registry is subject to an annual renewal on the anniversary of 1st registration.

Companies operating yachts for a commercial purpose are exempt from income tax on any income deriving from their operation. The exemption applies only if the annual tonnage tax, based on the gross tonnage of the commercial yacht, and the annual registration fee are paid. Commercial yachts navigating on the high seas and carrying paying passengers are exempt from VAT on any supplies, including maintenance costs, and no VAT shall be chargeable on revenue deriving from chartering operations. In instances where a commercial yacht does not qualify as exempt from Income Tax, it may still benefit from a low effective income tax rate of 5%. Any foreign Income Tax suffered on the yacht's commercial operations can be used as credit against Maltese Income Tax with the possibility of reducing Maltese tax to 0%.



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