

Yacht Registration, Shipping & Finance

Advantages of Malta Yacht Registration generally

- Complete tax exemption to owners, charterers and financiers of Maltese vessels of 1,000 NRT and over. This exemption is also administratively extended to most vessels of under 1,000 NRT.
- No trade restrictions.
- Low Company formation and Registration costs.
- No restrictions on the nationality of the shareholders and directors of Maltese companies
- No restrictions on the nationality of the Master, officers and crew carried on board Maltese vessels.
- No taxation or restrictions on the sale or transfer of shares of a Company owning a Maltese-registered vessel.
- Straightforward and quick company and vessel registration procedures
- The Shipping Registry offers a 24-hour service, seven days a week in respect of urgent matters.
- Eligibility of Non-Maltese Shipping Company to own and operate Malta flagged vessels.

Commercially registered Yachts

With the introduction of major fiscal (VAT) incentives to Maltese yacht registration contained in the Commercial Yacht Code.

The operation of commercially registered yachts for chartering purposes using a Maltese company (via an International Trading Company) is very tax advantageous. Profits from chartering are effectively taxed in Malta at 4.17%, there would be no VAT on chartering contracts and the input VAT on the purchases by the Maltese company can be recovered.

Registering of the yacht under the Maltese flag for private use would also be effected via an International Trading Company.

Maltese Maritime Law therefore now distinguishes between private and commercial yacht registration.

In fact, there are 3 classes of 'commercial yachts' contained in the Code namely:

- Class 1 - Yachts in commercial use of not less than 10 metres in length overall and not more than 24 metres in length;
- Class 2 - Yachts in commercial use of more than 24 metres in length and less than 500 GT;
- Class 3 - Yachts in commercial use of more than 24 metres in length and 500 GT and over but less than 3000GT.

Although the registration process of the 3 classes differs between them, the following guidelines outline the important requirements in the generality of cases.