



# Accessing Europe's Largest Registry

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# Accessing Europe's Largest Registry



## The Two Maltese Registries

### Ships

- The continuous growth of the ship registry.
- Various factors that continue to contribute and new factors which have further solidified the Malta Maritime Flag's position.

### Yachts

- The yacht registry, both commercial and for private use have grown considerably over the last couple of years.
- Whilst commercial yachts benefit from the tonnage tax regime the operation of these yachts is regulated by a specific code.
- There have been considerable tax advantages for setting up private yachts in Malta.

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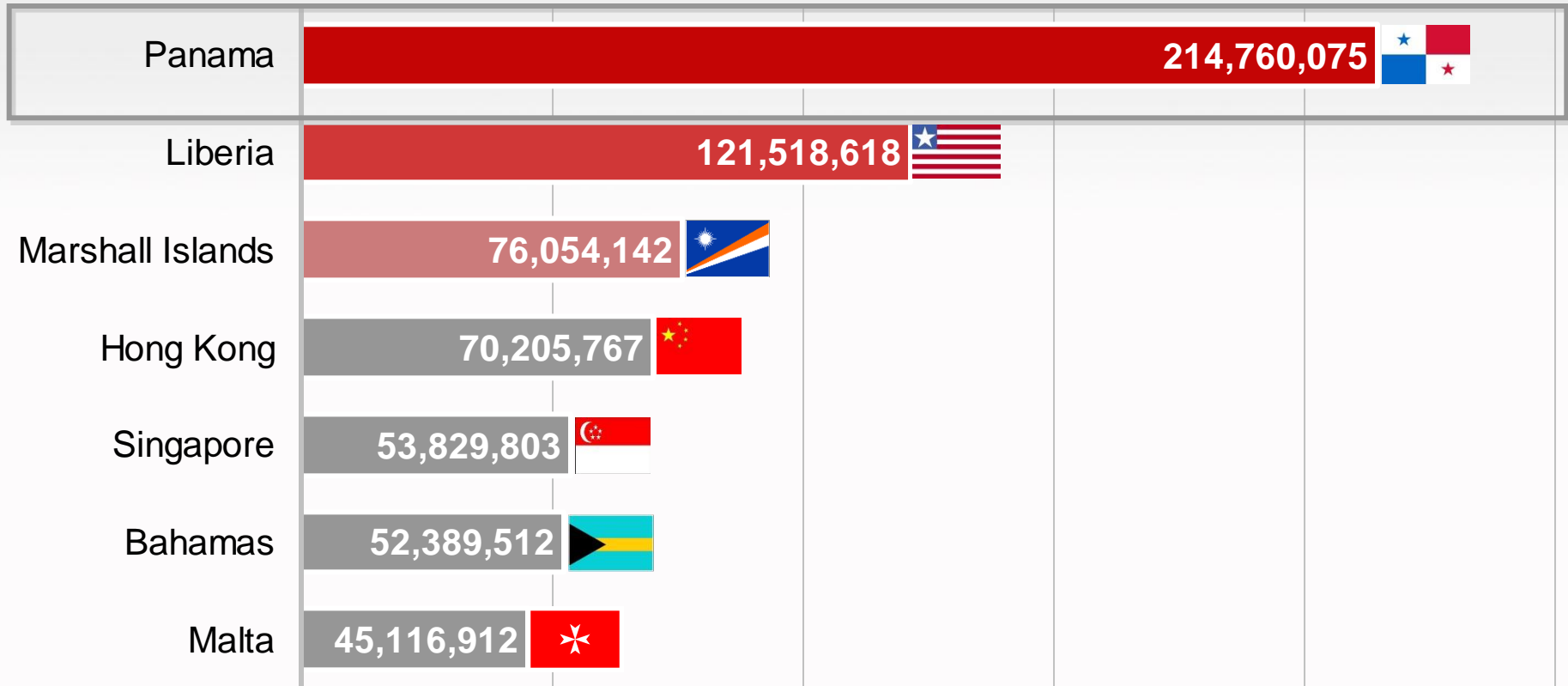
## Shipping & Malta



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## The World Fleet of Merchant Ships – GT

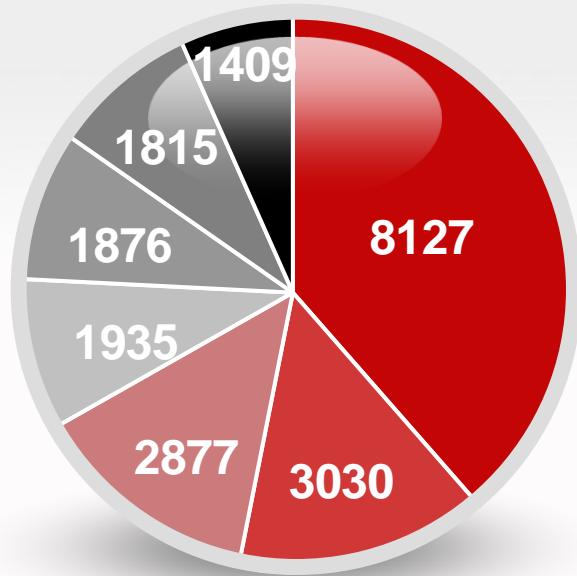




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## World Merchant Fleet – No. of Vessels



### Flag Indicators

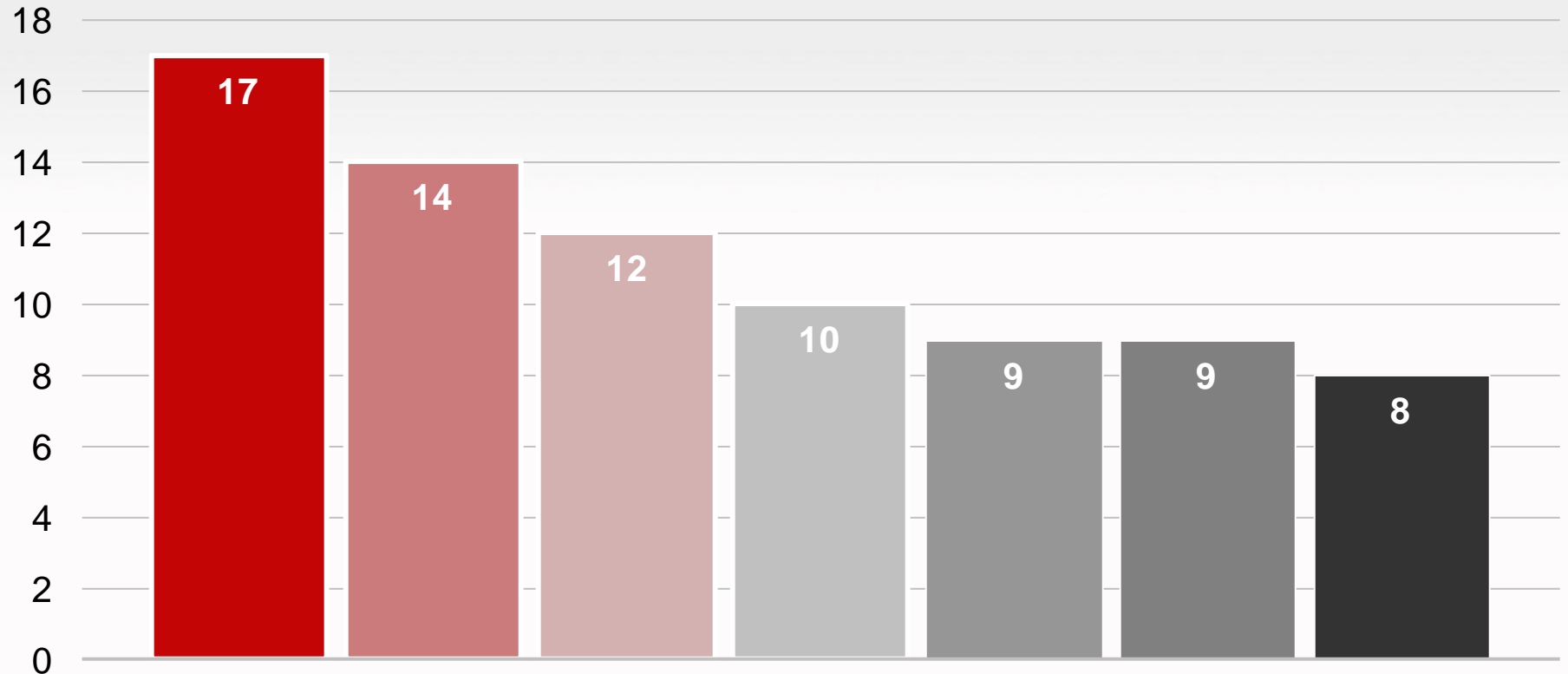
- When analysing the amount of vessels registered a shift in rankings can be noted.
- This data also provides an indication of why a flag may be chosen over another.
- The data is also a reflection of the nationality of the owned tonnage and the markets in which they operate.

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## World Merchant Fleet – Average Age

■ Panama ■ Bahamas ■ Malta ■ Liberia ■ Hong Kong ■ Singapore ■ Marshall Islands



as at 01/12/2011

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## Determining Factors



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## Fiscal Incentives

We're in the industry to be profitable. If it's not financially viable it's most likely a non-starter.





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## A Sound Legal System is Fundamental

### Taxation

- Tonnage Tax vs. Corporate Tax



### Operating Costs

- Manning represents the largest direct operating cost



### Access to Capital Markets

- Adequate protection for all stakeholders

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## Case Study 1



- Type: Bulk Carrier
- GT: 33,044
- NT: 19,231
- LOA: 189.99m
- YOB: 2011



- Total Registration Fee for the 1<sup>st</sup> Year:
  - \$6,198
- Total Registration Fees for 5 years:
  - \$29,966



- Total Registration Fee for the 1<sup>st</sup> Year:
  - \$7,339
- Total Registration Fees for 5 years:
  - \$40,363

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## Case Study 2



- Type: Bulk Carrier (x10)
- GT: 33,044
- NT: 19,231
- LOA: 189.99m
- YOB: 2011



- Total Registration Fee for the 1<sup>st</sup> Year:
  - \$61,980
- Total Registration Fees for 5 years:
  - \$299,660



- Total Registration Fee for the 1<sup>st</sup> Year:
  - \$55,040
- Total Registration Fees for 5 years:
  - \$275,200

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## Legal System



A sound legal system and a stable jurisdiction increases stakeholders' confidence



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## A Sound Legal System is Fundamental



### Sound Legal System

- Shipowners and Managers must have confidence in both the legal structure and the court structure.
- The legal system of both the owning company and the flag State must be taken into consideration.



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## A Sound Legal System is Fundamental

### Registration of Mortgages

- An effective system for registering mortgages recognised overseas which provides adequate protection for all stakeholders.



### Arrest of Vessels

- A fast and efficient process for arresting vessels.



### Judicial Sale by Auctions

- Efficient and effective court proceedings.

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## A Sound Legal System is Fundamental

### Court Approved Private Sales

- Innovative and sound proceedings that do not stifle business practices and adequately protect stakeholders.

### Tax Treaties

- A substantial amount of Double Tax Treaties with all major import and export countries.

### Implementation of Laws

- Efficiently and effectively implementing International Conventions and EU Regulations.

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## Flag State Elements

Description	Malta	Liberia	Marshalls Islands	Panama
Vessel Eligibility	All	All	All	All
Age Limit	Yes	Yes	Yes	Yes
Flagging-In/Out	Yes	Yes	Yes	Yes
Trading Limits	None	None	None	None
Crew Restrictions	None	None	None	Yes
Tax Benefits	Yes	Yes	Yes	Yes
Tax Treaties	67	Few	None	Few
Security Interests	Yes	Yes	Yes	Yes
Surveys	Yes	Yes	Yes	Yes
Fleet Discounts	No	Yes	Yes	Yes
Major International Conventions	Yes	Yes	Yes	Yes

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Reputation



Never before has shipping been so visible to the end consumer. Public perception has taken on a more important role.

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## Flag State Performance

Description	Malta	Liberia	Marshall Islands	Panama
Paris MOU White List				
Paris MOU Black List				
Not on Tokyo MOU White List	•			
On Tokyo MOU Black List				
Not in USCG Qualship 21	•			•
On USCG target list (safety)	•			•
SOLAS 74 (and 88 Protocol)				
MARPOL including Annexes I-II				
MARPOL Annexes III-VI				
LL 66 (and 88 Protocol)				



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## Flag State Performance

Description	Malta	Liberia	Marshall Islands	Panama
STCW 78				
ILO 147/MLC				
CLC Fund 92				
Recognised Organisations				•
Low Age (ship numbers)				
High Age (GT)				
STCW 95 'white list'				
Completed Full ILO Reports				
IMO Meetings Attendance				

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## Other Factors



Whilst individually minor, collectively, other factors can have a considerable impact on which maritime flag is chosen.

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## Other Factors

**1** Political Issues

**2** Flag Administration's International Presence

**3** Efficiency of Registrar

**4** Protectionist Measures

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## Yachting & Malta



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## Malta – Your One Stop Shop!



- Fast and streamlined registration process.
- Legislative Advantages.
- Fiscal Incentives.
- Specialised & Knowledgeable Service Providers.



- Ideal for Winterisation.
- Advantageous geographical location.
- Safe & Secure Marinas.



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## Yacht Lease Structure

Set-up a Maltese Company which purchases the yacht.

Monthly lease installments + VAT are paid for the duration of the agreement.

Third party (lessee) becomes owner and receives a VAT paid certificate in its name

**Step 1**

**Step 2**

**Step 3**

**Step 4**

**Step 5**

Lease the yacht to a third party for a period between 12-36 months.

At the end of the lease agreement the yacht is sold to the third party (lessee)

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## Yacht Lease Structure

Type of Yacht	% of lease subject to VAT	Effective Rate of VAT
Sailing boats or motor boats over 24 metres in length	30 %	5.4 %
Sailing boats between 20.01 to 24 metres in length	40 %	7.2 %
Motor boats between 16.01 to 24 metres in length	40 %	7.2 %
Sailing boats between 10.01 to 20 metres in length	50 %	9 %
Motor boats between 12.01 to 16 metres in length	50 %	9 %
Sailing boats up to 10 metres in length	60 %	10.8 %
Motor boats between 7.51 to 12 metres in length (if registered in the commercial register)	60 %	10.8 %
Motor boats up to 7.5 metres in length (if registered in the commercial register)	90 %	16.2 %
Craft permitted to sail in protected waters only	100 %	18 %



# Do You Have Any Questions?

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