
YACHTING PRACTICE



Tracing our roots back to the early 1900's, GANADO is one of Malta's leading legal practices. The firm has grown and adapted itself over the years to meet the changing and challenging needs of the international business and legal community. With a team of over seventy lawyers and professionals from other disciplines, supported by a growing complement of committed managerial, administrative and clerical assistants, we are confident of our ability to continue offering excellent client service.

From its earliest days, GANADO has been one of Malta's protagonists in maritime law. One aspect of our maritime law practice is yachting. Our yachting and super yacht practice is focused on assisting yacht owners, operators, brokers and their financial institutions with all transactions concerning yachts including assistance on the registration of yachts and of mortgages under the Malta flag as well as on all related legal and technical aspects.

Our yachting practice offers the following core services:

Pleasure and Commercial Yacht Registration

Due to the various incentives being offered, Malta has witnessed a sharp increase in the registration of both commercial and pleasure yachts, positioning itself as one of the world leaders in this sector.

GANADO assists in the whole process leading to registration with the ship Registry and issuance of proper certification. Thereafter, we continue to provide all administrative services for the yacht registered in Malta in order to ensure continued compliance with international and local requirements expected from Maltese flagged yachts.



Why register under the Malta Flag?

- Reputable and internationally recognised register
- A clear strategic political vision supporting business and the maritime industry
- Excellent international relations
- European Flag with a long maritime tradition
- A dynamic administration with IMO/EU proactive participation
- A flat organisation structure with direct access to the decision makers offering a 24/7 service in respect of urgent matters
- Availability of technical assistance from a team of qualified and experienced mariners
- No nationality restrictions for master, officers and crew
- Maltese requirements well known to main shipyards and main classification societies
- Competitive fees.



Commercial Yacht Registration

The registration and operation of Maltese commercial yachts is regulated by the Merchant Shipping Act (Chapter 234 of the Laws of Malta), subsidiary legislation enacted thereunder and a code of practice known as the Commercial Yacht Code (the “Code”). A yacht wishing to register and operate as a Maltese commercial yacht must comply with the requirements contained in this Code as administered by the Merchant Shipping Directorate within Transport Malta.

The Commercial Yacht Code imposes those standards of safety, pollution prevention and crew welfare which are appropriate for the type and size of yacht – it does not apply uniform rules across the board. The requirements imposed by the Code were developed whilst considering the relevant IMO Conventions, EU Directives and industry standards.

Key elements and qualifying criteria for commercial yacht registration in Malta include:

- Minimum overall length of 15 metres
- No tonnage limitations
- Commercial use for sport or pleasure which does not carry cargo and which does not carry more than 12 passengers
- Applies to motor and sailing yachts
- Any type of yacht may be registered as a commercial yacht including historical, training and racing yachts
- May operate worldwide subject to navigational notations granted by the Malta flag authorities based on the type and size of yacht in question
- Initial survey must be carried out by an authorised surveyor or recognised organisation
- Once compliant, yacht is granted a “Certificate of Compliance to Trade as a Commercial Yacht” valid for 5 years subject to an intermediate survey for yachts below 24 metres in length and an annual survey for yachts above 24 metres

- Yachts of 500 GT and above must be classed by a recognised organisation and maintain class throughout the period of commercial yacht registration
- No nationality restrictions for master, officers and crew
- Save for the compliance requirement with the Commercial Yacht Code, the same procedure for registering any other vessel under the Merchant Shipping Act applies to the registration of a commercial yacht.



Pleasure Yacht Registration

Maltese law provides for a simple regime for the registration of yachts designated as ‘pleasure yachts’ – yachts that are not categorized as commercial and are intended solely for private use. There is substantial flexibility in the applicable regime, particularly for pleasure yachts of a smaller size.

An owner of a Maltese commercial yacht may easily change the yacht’s certification from commercial to pleasure. This is aimed towards those occasions when a yacht is in use but is not being chartered – therefore, it is being privately used. When such change is done often and within short periods of time, the commercial yacht certificates may be retained on board and re-used when the yacht is operated commercially.



Racing Yacht Registration

It is now possible to register a yacht under the Malta flag as a racing yacht. This option is suitable for those yacht owners who often participate in regattas world-wide and are keen on having their yachts appearing on the register as racing yachts.

Yacht Ownership Structures

GANADO provides assistance with identifying and creating the most suitable structure for yacht ownership.

Whether a yacht owner decides to own a yacht in his personal capacity or through a corporate structure depends on multiple factors, including the yacht itself, its use, tax considerations, and an understanding of the specific requirements of the yacht owner.

Maltese flagged yachts may be owned by:

- a. either EU, EEA and Swiss residents residing in Malta and corporate bodies established in Malta; or
- b. EU, EEA and Swiss residents not residing in Malta and foreign corporate bodies through the appointment of a local resident agent.



Legal Advice

We provide specialised advice on various maritime and commercial law issues that arise during our clients' daily operations.

Our assistance has therefore extended to a number of operational aspects of yacht ownership and management including yacht sale and purchases, maritime labour issues, yacht charter agreements and other contracts relating to the use and employment of yachts, local port operations and customs procedure, agency and management structures as well as dealing with legal issues in connection with a yacht's insurance coverage.

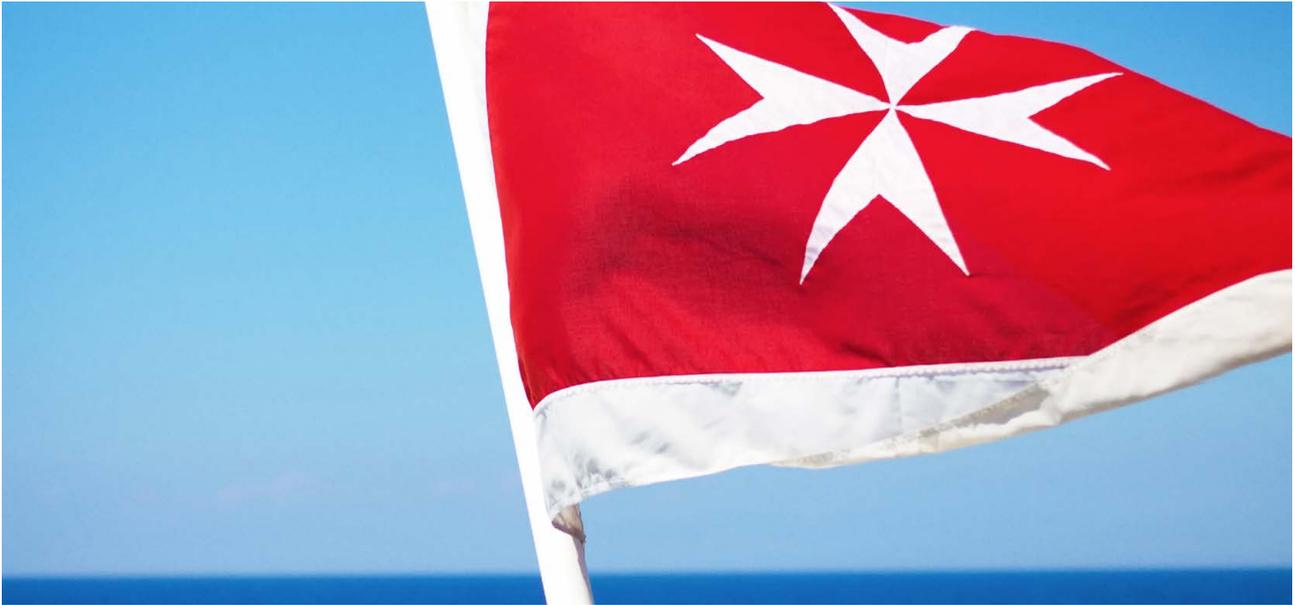
GANADO is also well placed to support creditors in enforcing their claims over yachts registered in Malta or over non-Malta flagged yachts located within Malta's jurisdiction. To this extent, we have often assisted claimants in placing a court authorised injunction over the ownership of a Maltese yacht irrespective of the yacht's geographical location. Whereas the arrest of a 'defaulting' yacht, the judicial or court approved sale thereof are available tools in the hands of a claimant once and if such yacht is within Malta's jurisdiction.

Yacht Finance

One of GANADO's major strengths is its long involvement in yacht finance. It has acted for numerous yacht financing banks and institutions throughout the world and is one of the leading players in this field in Malta. Our yacht finance team is dedicated to registering and perfecting the registration of mortgages and security interests over Maltese-registered yachts.

The team is involved in the drafting of various Maltese-law governed security documents such as mortgages, deeds of covenants and pledges of shares securing obligations arising under loan agreements, master agreements as well as non-Maltese law governed transaction documents which are regularly reviewed from a Maltese law perspective.

Malta is an ideal jurisdiction to assist in alternative forms of financing for the acquisition of yachts. Our firm has helped major financial players to enter into structures which suit their needs and provide owners with the liquidity they require and financiers with the security they seek.



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