



INTRODUCTION

The Malta Commercial Code was launched in 2006 and was developed mostly based on industry established standards, but unlike other codes, it brings together the requirements for both yachts below and over 24 meters. The code has been proven to be successful and has gained acceptance and international recognition within the industry.

As can be expected during the life of a technical code, and in particular in this industry of ground breaking area of state of the art marine technology, there is always the need to update. Malta has therefore issued a revision of the code in 2010. The revised code will serve the needs of the larger yacht industry better and aims to optimise the regulatory regime to the particular needs, demands and technologies of this market, in conformity with recent safety and international regulations and standards.

Yachts can be built to the standard of a commercial yacht but be registered as a pleasure yacht. This enables the yacht to be in conformity to higher quality and safety standards but to be operated on a private basis. Private yachts being built to this standard are also known to fetch a higher resale value in the second-hand market.

YACHTS ELIGIBLE FOR REGISTRATION AS A COMMERCIAL YACHT

- yachts in commercial use of over 15m in length, which do not carry cargo and more than 12 passengers;
- all types of yachts can be registered as a commercial yacht under the Malta flag, including historical and training yachts; and
- yachts over 24m in length are to be built to the requirements and standards of a classification society authorised to issue statutory certificates on behalf of the Government of Malta. Malta recognises all leading classification societies. Yachts below 24m in length do not require to be classed.



MANNING REQUIREMENTS

All commercial yachts over 24m in length are issued with a minimum safe manning certificate. Transport Malta has, over the years, built considerable experience in this field and considers applications, on a case-by-case basis. Malta recognises training and certificates from most reputable training establishments and countries. There are no restrictions on the nationality of the crew.

COMPLIANCE SURVEYS AND CERTIFICATION

An initial pre-registration survey is to be carried out in order to draw up a record of compliance with the code. Grey areas and specific issues are discussed between the surveyor and the administration through a transparent and recorded procedure. Upon agreeing any recommended design alternatives and establishing that the desirable standards are achieved, the administration issues a certificate of compliance to trade as a commercial yacht enabling operational registration. Compliance surveys can be carried by one of the approved government surveys or by a recognised organisation.

Thereafter, an annual survey is to be carried out. On yachts below 24m in length annual surveys may be carried out by the crew, while on yachts above 24m in length annual surveys are to be carried by an approved government surveyor or a recognised organisation. Annual surveys are to be endorsed on the prescribed space on the certificate of compliance.

A renewal survey is to be carried out every 5 years (yachts below 24m every 4 years). On satisfactory completion of the surveys, all trading surveys are renewed.



GREEN YACHT NOTATION

Yachts that are operated at extra cleanliness and safety standards are assigned a green yacht notation. By rewarding high safety and environmental standards, the notation makes above standard yacht operations more attractive. Yachts with such a notation reap various benefits, including: charter preference; continuous improvement; better image and motivation; and pride of crew.

REGISTRATION PROCEDURE

A yacht is first provisionally registered under the Malta flag for six months (extendible for a further period, or periods not exceeding in the aggregate six months) during which period all documentation needs to be finalised.

The requirements for provisional registration are:

- application for registration by owner or an authorised representative;
- proof of qualification to own a Maltese ship; in the case of a body corporate, the memorandum and articles of association; in the case of non Maltese owners, appointment of a resident agent;
- declaration of ownership made in front of the Registrar by the owner or an authorised representative;
- where applicable, copy of the current yacht's international tonnage certificate;
- where applicable, application for ship radio station licence; and
- payment of initial registration fees and annual tonnage tax.



The following documents are to be submitted during provisional registration:

- where there was previous ownership, a bill of sale or any other document by which the yacht was transferred to the applicant of registry otherwise a builder's certificate in the name of the applicant;
- where applicable, cancellation of registry certificate issued by the Administration where the yacht was last documented;
- Certificate of Survey and, where applicable, a copy of the International Tonnage Certificate issued by an approved surveyor of ships; and
- evidence that the yacht has been marked in accordance with law.

INTERNATIONAL MARITIME CENTRE

Malta has a flourishing international shipping centre and is also regarded as an efficient jurisdiction in which to establish ship management operations. The island provides a convenient base for shipping companies that take advantage of the low costs involved in operations from Malta, and from the efficient tax regime which exists and is able to provide a wide variety of quality financial and corporate services.

The development of the shipping register has encouraged the establishment of several Malta-based international ship management and ship owning companies, the sector is supported by numerous shipping related service providers, including marine lawyers, accountants and banks offering comprehensive services to the owners and operators of ships worldwide.



ADVANTAGES

- reputable and internationally recognised register;
- clear strategic political vision supporting business and the maritime industry;
- excellent international relations;
- European flag with a long maritime tradition;
- dynamic administration with IMO/EU proactive participation;
- flat organisation structure with direct access to the decision makers offering a 24/7 service in respect of urgent matters;
- yachts may be registered under the Malta flag in the name of legally constituted corporate bodies or entities irrespective of nationality, or by EU citizens;
- Malta is on the White List of the Paris MoU;
- attractive incentives to owners, registered charterers and financiers of Maltese ships;
- no restrictions on the sale or mortgaging of Maltese registered yachts and superyachts;
- well-organised and highly responsive flag Administration that values long-term customer relationships;
- good understanding of the industry;
- 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; and
- marriages can be officiated onboard Maltese ships

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At Nexia BT we can assist in the registration of charter operators who would want to operate from Malta or have certain charters starting from Malta. We can also help with the communication with the VAT department, forwarding of necessary documents to have the charter approved and general compliance in relation to VAT return preparation and submission.

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