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Seaborne

The newsletter of RegisterAYacht.com (RAY) – the Marine Division of The Sovereign Group

EU tightens VAT net in Mediterranean

With the European Commission seeking to impose a more robust and uniform VAT system across the EU and the governments of member states jostling to secure their share of VAT revenues, the mitigation options for yacht owners, businesses, lessees and charterers are shrinking fast.

Since 2010 short-term hiring of vessels – for no more than 90 days – is taxed at the place where the means of transport is actually put at the disposal of the customer. For a boat hired in Sardinia for two months, therefore, the hire will be subject to Italian VAT regardless of who is hiring the boat and where it goes.

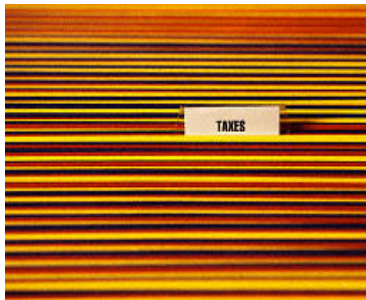
As Italy and Spain seek to clamp down on VAT avoidance on yacht activity, the more relaxed French regime has been affording charterers some relief but, on 21 November, the European Commission requested France to remove its VAT exemption on the hire of yachts used for pleasure boating. France must comply within two months or the matter may be referred to the European Court of Justice.

At the same time, Croatia is set to join the EU on 1 July 2013, extending the EU VAT regime on to eastern coast of the Adriatic. With a standard VAT rate of 25%, Croatia has opened a pre-accession window for yacht owners to import their yachts before 31 May 2013 at a reduced VAT rate of 5%. But for yacht charters the options for reducing exposure to VAT are running out.

For hiring periods of more than 90 days, yachting businesses that hire to an individual customer must, from 1 January 2013, charge the VAT rate applicable to the country where that customer resides, unless the yacht is physically handed to them in the country where the yachting business is actually located, in which case the VAT of that country applies.

In other words, when a German resident hires a pleasure boat from a Swedish supplier for use year round, German VAT must be charged. But if the boat is actually put at the disposal of the customer in Sweden by a supplier established there, Swedish VAT will be due.

Yacht owners, lessees and charterers seeking VAT mitigation as well as legal and fiscal certainty, should consider their options carefully and also examine the EU-compliant schemes currently available in Malta, Gibraltar and the Isle of Man.



Gibraltar launches new Maritime online facility

In November Gibraltar officially launched three new interactive websites linking the Gibraltar Port Authority, Gibraltar Maritime Administration and the Gibraltar Yacht Registry together under the umbrella of Gibraltar Maritime, which is to provide an “outward facing point of contact” for the public.

The new Port Authority website will include interactive maps of Gibraltar with added zoom-in features and webcams with the ability to track vessel movements. Other improvements consist of an overhaul of the Port Operator Licences and weather and tide sections.

Both the Gibraltar Maritime Administration and the Gibraltar Yacht Registry have also been completely updated with guidance on registering commercial vessels and yachts, as well as new features that include more user-friendly name searches and the capacity to complete and submit yearly renewal forms for yachts online. The websites are at: <http://www.gibraltaryacht.com>

Gibraltar SuperYacht Forum 2013

RegisterAYacht is happy to announce that the Gibraltar Superyacht Forum 2013 will take place on 6 June in the Wessex Lounge at Gibraltar’s new International Airport. The Forum will bring together representatives from all areas of the yachting industry, including leading professional firms, boat owners, builders, charterers and brokers as well as government and regulatory bodies.

The Forum format will enable delegates to discuss and analyse the state of the industry in four panel debates, with a special focus on marketing and branding, legal and fiscal issues, brokerage and impact of superyachts in transit through the strait of Gibraltar. Full details of the programme will follow shortly.

UHNWIs, yachts and the luxury sector

Revenues in the worldwide luxury goods market grew by 10% in 2012, to an estimated €212 billion, according to the latest edition of Bain & Co's industry bellwether, the Luxury Goods Worldwide Market Study. It was the third straight year of double-digit growth following the "great recession".

But high-ticket categories – cars, yachts, design – struggled to grow in line with previous years and the sales of yachts, defined as any vessel valued at €15 million and above, showing growth of just 2% compared to 2011 – the worst growth rate of all luxury sector items behind designer furniture at 3% and luxury cars at 4%.



Of equal concern perhaps is that the geographic areas where sales potential for luxury goods is growing fastest – Asia and Africa – currently share both a lack of affinity with yachting culture and a lack of infrastructure to

encourage its growth. And it is not just a question of convincing UHNWIs from these regions to get involved in yachting. Many of them already own large superyachts, it's just that they generally choose not to take them to their home countries.

There are however some genuine hopes for improvement. Tourism and luxury spending are becoming more tightly intertwined as the desire for "rare and rewarding experiences" drives growth in the luxury travel market. The luxury hospitality sector also continues to post high growth rates of 15% for 2011 and 18% for 2012 respectively. This trend should be positive for the yacht charter market which is, in turn, an important feed into the first purchase market.

And according to the Bloomberg Billionaires Index, the 100 richest people in the world added \$241 billion to their combined net worth in 2012, bringing the total to US\$1.9 trillion. An upsurge in wealth in the very top tier does not necessarily lead to a correlating increase in new orders or second hand purchases, but superyacht builders and brokers will take a great interest in the geographical composition of the list.

Almost half of the top 40 billionaires come from the US where, historically, UHNWIs have shown themselves to be adept at purchasing undervalued foreign assets in depressed economies. In the second hand superyacht market, this trend has been in evidence for at least 18 months and there is the prospect that it could extend into new builds manufactured in Europe and purchased by US buyers.

YACHT FACT FILE:

Curvelle Quaranta



CONSTRUCTION

Curvelle-Logos, Istanbul

NAVAL ARCHITECTURE

Incat Crowther

INTERIOR DESIGN

Lila-Lou, London

EXTERIOR STYLING

Mauro Giamboi

LENGTH OVERALL:

33.70m (110ft 6in)

MAX BEAM:

9.00 m (29ft 6in)

DRAFT:

2.30m (7ft 6in)

DISPLACEMENT:

150 tons

CABINS:

6

PEOPLE:

18

BATHROOMS:

6

CREW'S QUARTERS

3

CREW'S BATHS:

3

MAIN ENGINES:

2 x 1900 hp Caterpillar C32

Max speed 25 knots-Cruising speed 21/3000nm

YACHT FACT FILE:

The Curvelle Quaranta is a composite construction power catamaran. Four decks and a nine-metre beam create about 50% more space than a comparable 40 to 42-metre monohull. The lay-out offers flexible guest accommodation with six guest cabins at main deck, which can be converted to three large suites, and crew accommodation at lower deck with three cabins for six. The configuration can be changed in a matter of hours. The interior also accommodates a large pilothouse, combined saloon and dining area, galley and laundry. Exterior decks offer large seating groups and sun bathing on the forward deck, upper deck and fly bridge. Quaranta features a lifting platform/beach to lower passengers and tender straight from main deck to the water. Hull number one is at Curvelle's shipyard in Tuzla, Istanbul, with a delivery date of March 2013.