

YACHTING AND THE ISLE OF MAN



The Isle of Man has always been associated with the sea. Some of the most famous of British seamen and their roots can be traced back to the Island: John Quilliam, First Lieutenant of the *Victory*; Fletcher Christian, Master's Mate from the *Bounty*; and Sir William Hillary, founder of the Royal National Lifeboat Institute.

The yachting industry on the Isle of Man began to develop in 1985 and has grown to be a substantial and highly respected part of the global superyacht industry; widely recognised today as a flag of choice that offers a wide range of benefits to yacht owners, managers and charterers.

YACHT OWNERSHIP

Owning and operating a yacht can be complex, resulting in a number of considerations requiring careful attention.

With a comprehensive understanding of the yachting industry, our professional team can assist owners and their representatives in understanding the diverse requirements associated with the ownership, registration and management of a range of vessels, whether being used on a commercial or private basis.

We give significant consideration to how and where an owner plans to use his vessel, in order to ascertain any tax or VAT exposure, whether the asset is intended to generate income and subsequently whether tailored tax planning could offer any fiscal benefits and/or minimise any liabilities.

CHOOSING THE RIGHT REGISTRY

The choice of registry is important when considering under which flag to register a vessel. The state chosen determines how a vessel will be treated in the countries and ports it visits.

A flag state must enforce convention standards on the vessels it maintains within its register, so when choosing a state in which to register a vessel, consideration should be given to, its reputation; jurisdiction stability (in terms of its local Government); the professional support services available; ease of registration and customer services; gross tonnage; and what security is required by those providing a mortgage.

Yacht registration under countries on the Paris Memorandum of Understanding (Paris MoU) and on Port State Control's black or gray list will come under more scrutiny in inspections. Because of this, a large majority of yachts are flagged in British Overseas Territories known as the 'Red Ensign Group' — such as the Isle of Man.

The Isle of Man has acceptable safety regulations for travel in EU countries, while also having an attractive tax structure compared to many other jurisdiction; the company tax is set at 0%. This is particularly useful for those who wish to spend time in EU waters. With the legislative and regulatory requirements of the yachting industry continually changing, we understand that staying abreast of new developments is of utmost importance, in order to ensure that all of the vessels under our management remain compliant.

BENEFITS OF THE ISLE OF MAN

- A favourable tax regime.
- A professional ship registry providing a high quality service.
- The right to fly the 'Red Ensign' and access to the support of British Consular services worldwide.
- Dual registration.
- A range of professional services designed to support yachting.
- Flexibility in the requirements of registered owners, including acceptance of Limited Partnerships.
- No tonnage fees.
- Full political support for shipping.

THE ISLE OF MAN REGISTRY

The Isle of Man is renowned worldwide within the international maritime community as having a Red Ensign Category 1 register, allowing it to accommodate all types and sizes of vessels. It is home to a professional ship registry that provide a high quality service, with:

- 24 hour availability of senior staff by phone to deal with queries/problems;
- immediate, friendly advice on complying with all aspects of SOLAS, MARPOL, COLREGS, ISPS, ILO etc.;
- a dedicated surveyor assigned to each project;
- reasonable costs;
- support for vessels treated unfairly by Port State Control;
- strong emphasis on quality, high standards and efficient service;
- mortgage registration; and,
- the availability of a demise registry both 'IN' and 'OUT'.

REGISTERING A VESSEL IN THE ISLE OF MAN

The process to register a vessel in the Isle of Man is simple and efficient. It accepts privately operated yachts of any size and yachts used for charter over 24 metres in length.

It has a comprehensive list of over 60 countries for companies or persons qualified for registered ownership. There is a legal requirement for a local representative to be appointed for all vessels over 24 metres registered in the Isle of Man. If the vessel is owned by an Isle of Man body corporate, that entity can be appointed to provide this service. For a foreign owned vessel, they would need to appoint a local representative to meet this requirement - Sentient International Limited is approved by the Isle of Man Ship Registry as a 'Representative Person' and can act for owners and operators in this regard.

OUR SERVICES

ESTABLISHMENT & ADMINISTRATION OF BESPOKE YACHT OWNERSHIP STRUCTURES | YACHT IMPORTATION
 INTERNATIONAL YACHT REGISTRATION & FLAG ADMINISTRATION | PROVISION OF OFFICERS
 SHIP REPRESENTATIVE PERSON | VAT REGISTRATION & ADMINISTRATION | BOOKKEEPING & ACCOUNTING
 CO-ORDINATION OF CHARTER LICENSES | TAX COMPLIANCE | CREW EMPLOYMENT & PAYROLL SERVICES |

ABOUT SENTIENT

Sentient International is a privately owned group of independent, modern corporate and trust service providers, who between them have a solid track record of over 35 years.

Providing bespoke international business solutions to a broad spectrum of international clients, not only do we offer a wide range of services that are efficient, flexible and cost effective, our team of professionals offer complete in-house expertise as well as experience within a number of industry sectors.

We are committed to providing the highest level of customer care and ensure that the services we provide are delivered professionally, reliably and with complete integrity. We are proud to be more than just a corporate and trust service provider.

SENTIENT INTERNATIONAL LIMITED

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