

1. What to Buy?

When looking to purchase a vessel either new or second-hand, a good starting point is choosing a vessel that suits your budget and lifestyle. Whether it's for racing, casual cruising, extended cruising, investment, charter, tax shelter, second home or live-aboard we can help!

Assuming you have already decided on the type of vessel you are interested in purchasing, we have devised a useful checklist available upon request which will help guide you through the process. We can also conduct searches to ensure a vessel has clean title and is free of any liens or charges.

If you haven't decided on what type of vessel to purchase, please contact us for a preliminary consultation and we can put you in touch with one of our many trusted yacht brokers to help you make the right choice.

2. Ownership Structures and Tax

Depending on whether you intend to use your vessel for pleasure or to operate it commercially as a business, our team of tax and corporate lawyers are on hand to guide you as to the various options for owning and operating your vessel, both onshore and offshore, and the tax implications associated with them.

Depending on your domicile and residence status for tax purposes, the options may include:

- Limited Liability Partnerships – these may be useful vehicles for those looking to off-set losses against gains and personal income in an onshore structure.
- Private limited companies – these provide the comfort of limited personal liability and raise investment.
- Offshore companies and trust structures – these may allow you to take advantage of the low tax regimes that many of the off-shore jurisdictions have to offer or may simply be beneficial for reasons of confidentiality.

3. Company/Trust Formation and Administration

Early consideration of the structure can provide interesting solutions for tax and inheritance planning. Once we have identified what will work for you, we offer a company incorporation and administration services for various types of private companies (limited by shares or guarantee) and LLPs registered in England and Wales.

Through our longstanding contacts in the offshore world, we are also able to facilitate the setting up of offshore trusts and offshore companies if these are to be part of an ownership structure. We can also introduce you to appropriate local managers.

We deal with this whole process on your behalf from start to finish, including all on-going administration, to leave you with more time to enjoy the vessel or get on with your other interests.

4. Marine Finance

Marine finance can be a complicated subject and in almost all cases requires a combination of legal advice and professional assistance of a financial consultant. There are quite large differences in the level of complicity for boat or yacht finance and commercial ship finance.

Please contact us for advice and recommendations regarding your vessel's finance arrangements. We have access to a network of established marine financiers who will be able to tailor a finance package that meets your individual needs.

Challoner House 19 Clerkenwell Close
London EC1R 0RR

Lindsey Hemingway
Hannah Cash
+44 (0)207 689 7000

lhemingway@rooks rider.co.uk
hcash@rooks rider.co.uk
www.rooks rider.co.uk

ROOKS

RIDER

S O L I C I T O R S

5. Practical Operations - VAT, Crewing & Chartering

Value Added Tax (VAT) is chargeable on the purchase price and operating costs on boats purchased and owned by EU residents. VAT is also chargeable on vessels irrespective of ownership which spend more than six months in any calendar year cruising in EU waters. However, there is scope for non-EU residents to cruise EU waters VAT-free.

Our team of tax lawyers can advise on:

- Temporary importation (which permits the boat to cruise in EU waters for a maximum of 18 months);
- How to recover VAT on running costs and vessel purchases; and
- Assistance with VAT Registration.

We can also assist you with crewing and chartering contracts and other commercial arrangements.

6. Marine Insurance

Risk is an inevitable part of every-day life. Nobody can predict when an undesirable event may occur or how grave the damage may be. It is vital that you insure your vessel to protect your investment and take out appropriate P&I and Hull & Machinery cover.

Whilst you are free to choose insurers, do consider the options very carefully. It is advisable to insure your boat with a recognised marine insurance company. Please contact us if you would like to discuss your requirements and we can make appropriate introductions regarding your vessel's insurance arrangements.

7. Registration

All types of vessels ranging from sailing yachts and motor boats to fishing trawlers and container ships need to be formally registered. The main reason is proof of ownership. However, as a vessel will often spend time in international waters, sometimes visiting a number of different countries and jurisdictions, a vessel must belong to one particular country in order to be subject to that country's laws and to claim the protection of that country (also known as its flag state).

The benefits and burdens of registration in the various flag states vary enormously and we will be happy to talk you through the principal points you will need to consider when choosing where to register, based on your specific circumstances and requirements for the vessel. Whilst we can assist you in registering your vessel anywhere in the world, there are several advantages in having a British registered vessel such as being able to fly the British Red Ensign with the international recognition, prestige and protection afforded to it. Many of the off-shore jurisdictions port of registry operate under the British Red Ensign.

8. Sale of vessel

Whether the vessel is held under a corporate structure or owned personally, our team of advisors can help when the time comes to sell your vessel. We can prepare the legal contracts for sale, including the bill of sale and deal with all the necessary transfer documents to effect the change of ownership at the ship's registry.

In the event that the vessel is held under a corporate structure, transferring the shares or other interests in the vehicle which owns the vessel may in certain circumstances avoid the relatively expensive and protracted procedures which are necessary to change ownership of the vessel and allow the sale to be effected much more easily, quickly and cheaply. However, this is not always the case and we will be pleased to advise on a case by case basis.

Our team of advisors also deal with the discharge and registration of any liens and charges against the vessel. We can conduct searches to prove clean-title which is useful when selling your vessel.

Challoner House 19 Clerkenwell Close
London EC1R 0RR

Lindsey Hemingway
Hannah Cash
+44 (0)207 689 7000

lhemingway@rooks rider.co.uk
hcash@rooks rider.co.uk
www.rooks rider.co.uk

R O O K S

R I D E R

S O L I C I T O R S