

# Ship registration and maritime



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## Malta – a prominent maritime hub

The strategic location of the Maltese Islands at the centre of the Mediterranean Sea and its natural harbours and climate, conspired with its historical development to transform this European Member State into an international maritime service centre. The Island offers a wide range of maritime services including specialised ship repair, Freeport facilities, state of the art superyacht marinas and towage services.

Malta's long tradition has led to the establishment of the **Maltese Flag** as a reputable flag of choice through the open Maltese register for ships, bare boat charters and mortgages. The Malta Flag is a flag of confidence and enjoys a 'white flag' status. Several ship owners identify the Island as a cost-efficient centre for registration. In fact, it is one of the largest in Europe and the world!

In this context, Malta has developed specific legislation with regards to shipping registration. Shipping registration under the Malta Flag and the operation of vessels is regulated by the Merchant Shipping Act. The law harmonizes Maltese legislation with the provisions of international maritime conventions.

### Advantages of flying the Malta flag include:

- Vessels may be registered in the name of legally constituted corporate bodies or entities irrespective of nationality or by a European Union Citizen;
- A European Flag with a long maritime tradition;
- On the White list of the Paris MoU, Tokyo MoU, and on the Low Risk Ship List of the Paris MoU;
- Efficient Procedures for the registration of vessels and mortgages over such vessels;
- No nationality restrictions for master, officers and crew, serving on Maltese vessels;
- A 24/7 service – a customer service oriented approach;
- Competitive registration costs and no inspection fees.
- No trading restrictions imposed on Maltese registered vessels;
- Malta operates a tonnage tax regime based on the net tonnage of the ship.

## Eligibility for registration:

All the various types of vessels, ranging from pleasure yachts to oil rigs, including also those vessels which are still under construction, may be registered under the Malta Flag, provided that, inter alia, they are wholly owned by legally constituted corporate bodies or entities irrespective of the nationality, or by European Union Citizens. The formation of a Maltese Company is a straight forward procedure and there are no nationality requirements as to both the shareholders and the directors.

Some basic rules:

- Trading ships of 25 years and over are not registered;
- Ships of 15 years and over but less than 25 years are required to undergo successfully an authorized flag State inspection prior to provisional registration;
- Ships of 10 years and over but under 15 years are required to undergo successfully an inspection by an authorised flag state inspector before or within one month of provisional registration.

A vessel to be registered under the **Malta Flag** must be first registered provisionally 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 finalized.

## Registration as a Commercial Yacht

Maltese law provides for the registration of yachts and superyachts which are in commercial use as commercially registered yachts or superyachts. Transport Malta introduced the Malta Commercial Yacht Code, which was developed in line with international regulations. Registering your yacht involves also a provisional six month registration under the Malta Flag during which all documentation needs to be finalized.

The financial benefits to Malta Yacht Registration are that companies operating commercial yachts are exempt from income tax on any income generated by the operation of their yachts. When a commercial yacht does not qualify from this exemption, they may take advantage of the low effective income tax rate of 5%.

## Speak to us

Malta has clearly established itself as a leading maritime center with an effective Registry which meets the requirements of both prospective ship owners and also its ever-increasing registered tonnage. The advantages outlined above, amongst other factors create a winning formula for stakeholders and ship owners.