

Charting New Waters: The Market Effects of Malta's Small Commercial Yacht Code

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By **Jonathan Vassallo**, 12th June 2024

The Malta's Small Commercial Yacht Code is the latest addition to the Maltese yacht legislation. Malta offers deep natural harbours, a strategic position in the middle of the Mediterranean, a climate with 300 days on sunshine per year, widespread use of English and an attractive lifestyle. Add these elements to a robust regulatory framework, state of the art marinas, refit and repair facilities, highly professional international operators and service providers and you will obtain a fully-fledged, international maritime hub. Malta has lined up, over the years, all requirements to be attractive in the yacht and superyacht industry.

The advantages of the Malta Flag

Malta has a long maritime tradition, with a very deep understanding of the industry and a reputable and an internationally recognised register, all supported by a clear, business-oriented vision. Having a yacht flying the Malta flag has numerous advantages, and we invite all those interested to read our article on [why considering to register a vessel under the Malta flag](#).

A forward-looking authority that listens to the operators

The Merchant Shipping Directorate introduced Malta's Small Commercial Yacht Code (sCYC), effective from the 1st of April 2024, following an extensive consultation process

that involved all relevant industry stakeholders. The small commercial yacht segment has been in constant increase in recent years, and the introduction of the sCYC aims to meet the needs, demands and technological advancements of the yachting industry while, at the same time, ensuring compliance with international safety standards.

Applicability and exclusions

The Code is applicable to yachts under commercial use that:

1. Are at least 12 metres in hull length;
2. Are less than 24 metres in length;
3. Are engaged in commercial operations;
4. Carry no more than 12 passengers.

The code does not apply to Category D vessels, Rigid Inflatable Boats (RIBs), military vessels and any other vessel that is operated for non-commercial use.

The code also states that yachts may be exempted, on a case-by-case basis, and at the sole discretion of the Administration, from any of the Code's requirements which are proven to be disproportionately onerous and technically impracticable for the yacht.

What changes for the small commercial yachts

One of the most relevant changes is that, under the sCYC, yachts from 12 metres, which previously fell outside the scope of the Commercial Yacht Code (CYC), may also be registered commercially under the Malta flag.

The sCYC updates and replaces the requirements included in the CYC, and all CYC certified yachts are deemed, automatically, to be compliant with the sCYC. However, the sCYC states that any small commercial yacht must be compliant with the new requirements at the time of the vessel's first renewal survey conducted after 1st June 2024. In addition, sCYC Certified Yachts operating in the territorial waters of other countries must also adhere to any additional requirements stipulated by those specific countries.

The Small Commercial Yacht Code identifies the requirements in terms of safety, crew welfare and pollution prevention that are appropriate to vessels sized between 12 and 24 metres. The regulator addresses the needs of the operators while maintaining these requirements in line with those set out in international conventions and EU Regulations and Directives. This approach of using the EU Recreational Craft Directive (2013/53/EU,

as amended) as the basis for the Code is clearly visible with regards to yacht's design, stability and structure.

Conclusion

The new Small Commercial Yacht Code caters for the specific needs of this niche market. The code encourages more yacht owners to adopt the Malta flag and join the charter market by operating commercially in the Mediterranean and beyond. With this Code, the regulator addresses and accommodates the unique features of this niche market that has been gaining relevance in recent years.

Dixcart in Malta

At Dixcart Malta we have a dedicated team of professionals dealing with yachting matters including, but not limited to, yacht importation, flag registration, resident agent services, crew payroll. We are also able to assist with your Yachting related needs.

Additional Information

For further information about Malta Maritime services, please contact [Jonathan Vassallo](#), at the Dixcart office in Malta: advice.malta@dixcart.com. Alternatively, please speak to your usual Dixcart contact.