

Thinking of Flagging or Reflagging a Vessel? – Could Malta be the Answer

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By **Jonathan Vassallo**, 25th January 2017

A lot of uncertainty has been generated within Europe following on from the Brexit vote, and certain other countries who are beginning to reassess their position within the EU. This is having an impact on the marine industry, with a number of vessel owners seeking to reflag ships and yachts.

The choice of flag registration is an important decision and a jurisdiction must be selected that satisfies relevant criteria relating to how and where the vessel will be used.

The Jurisdiction of Malta and Ship and Yacht Registration

Malta, with its central and strategic position at the heart of the Mediterranean, offers a wide range of international maritime facilities and services. This jurisdiction offers an active International Ship Register, with an excellent reputation, and it currently ranks as the largest merchant shipping flag in Europe.

The Malta Flag is a European Flag, a flag of confidence and a flag of choice. Many leading ship owning and ship management companies register their vessels under the Malta Flag, and international banks and financiers often recommend the Maltese Register and Malta Ship Registration.

Benefits Offered to Ships and Yachts Registered in Malta: Fiscal, Corporate and Legal

A number of advantages are available to vessels registered under the Malta Flag, which include:

- Vessels registered under the Malta Flag have no trading restrictions and are given preferential treatment in many ports.
- The Malta Flag is on the white list of the Paris MoU, Tokyo MoU and on the Low Risk Ship List of the Paris MoU. In addition, Malta has adopted all International Maritime Conventions.
- All types of vessel, from pleasure yachts to oil rigs, may be registered in the name of legally constituted corporate bodies or entities (irrespective of nationality), or by European Union citizens.
- A Maltese vessel may also be bareboat charter registered under another flag.
- There are no trading restrictions for the vessels.
- Vessels less than 25 years old may be registered. Where relevant, the following criteria apply:
 - Ships aged 15 years and over, but under 20 years, must pass an inspection by an authorised flag state inspector before or within a month of, provisional registration.
 - Ships aged 20 years and over but under 25 years, must pass an inspection by an authorised flag state inspector prior to being provisionally registered.

Registration of a Vessel in Malta – the Procedure

The procedure for the registration of a vessel in Malta is relatively straightforward. Provisional registration, which in terms of the law has the same effect as permanent registration, can be effected very quickly.

Authority to provisionally register a ship will only be given once the Malta Maritime Administration is satisfied that the vessel conforms to all of the standards required by the relative international conventions.

Provisional registration is valid for six months, although this can be extended by a further six months; by this time all of the documentation must have been completed for the permanent registration. Specifically this must include evidence of ownership from a former registry, unless the vessel is new. Authority to operate remains dependent on meeting the relevant manning, safety and pollution prevention measures as detailed in international standards.

Bareboat Charter Registration

Maltese law provides for bareboat charter registration of foreign ships under the Malta flag and for the bareboat charter registration of Maltese ships under a foreign flag.

Vessels so registered enjoy the same rights and privileges and have the same obligations as a ship registered in Malta.

The main factor relating to bareboat charter registration is the compatibility of the two registries. Matters regarding title over the ship, mortgages and encumbrances are governed by the underlying registry, while the operation of the vessel falls under the jurisdiction of the bareboat registry.

A bareboat charter registration lasts for the duration of the bareboat charter or until the expiry date of the underlying registration, whichever is the shorter, but, in any event, for a period not exceeding two years. It is possible for the bareboat charter registration to be extended.

Yacht Registration Services Offered by Dixcart Malta

Dixcart Management Malta Limited has extensive experience in registering yachts under the Malta Register and providing the ancillary services needed to maintain such a registration.

Dixcart can establish the ownership structure for the vessel and provide advice on the most efficient structure, depending on the type of use of the vessel as well as the place of use.

For further information, please speak to your usual contact at Dixcart or email the
Dixcart office in Malta: advice.malta@dixcart.com