

YACHT ENGAGED IN TRADE (YET)

YET Seminar
17 March 2016

Presented by:
Ionna Hernandez
Business Development Manager, Yachts



International Registries, Inc.
in affiliation with the Marshall Islands Maritime & Corporate Administrators

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YET

When thinking about chartering in the Mediterranean, owners are faced with a dilemma:

- Operate as a commercial yacht to take advantage of charter opportunities, but pay a Value Added Tax (VAT) for personal use of their yacht

OR

- Stay private while in the Mediterranean and miss out on the opportunity to charter

YET (continued)

- The Republic of the Marshall Islands' (RMI's) YET initiative provides a solution by giving owners the opportunity to have “dual use” of their yachts without falling out of compliance with customs, port State control (PSC), or flag State regulations.
- “Dual use” is achieved by combining current European Union (EU) Customs regulations and the RMI's private yacht registration system, which allows private yachts to engage in charter operations for up to 84 days per calendar year.

HOW “DUAL USE” IS POSSIBLE

French Customs

- After communication and work completed by a team of fiscal and legal experts, written confirmation was received from French Customs that this arrangement is acceptable under EU Customs Code, thus allowing RMI flagged private yachts to charter in France and Monaco for up to 84 days in a calendar year.
- RMI flagged private yachts with non-EU resident beneficial owners may enter EU waters under Temporary Admission (TA) for up to 18 months and will be allowed to change status to TA for commercial use (up to 84 days).
- This option is also available for RMI flagged private yachts of EU resident owners that are VAT-paid.

HOW “DUAL USE” IS POSSIBLE (continued)

PSC: Paris Memorandum of Understanding (MoU)

- In March 2015, the Paris MoU reviewed the requirements of the RMI YET program and had no objection to allowing chartering of RMI flagged private yachts, as long as these are fully commercially compliant.
- Commercial compliance includes:
 - Maritime Labour Convention, 2006 (MLC, 2006)
 - International Safety Management Code
 - International Ship and Port Facility Security Code
 - International Convention on Load Lines (LL) (which applies for yachts 24 meters (m) and over)
 - RMI Yacht Code (MI-103)

REQUIREMENTS

To qualify, vessels will initially require:

- A private yacht Certificate of Registry (CoR); and
- A Yacht Engaged in Trade Compliance Certificate (YETCC), which certifies full commercial compliance.

REPUBLIC OF THE MARSHALL ISLANDS
MARITIME ADMINISTRATOR



Certificate Number: _____

**YACHT ENGAGED IN TRADE
COMPLIANCE CERTIFICATE**

The Yacht Record of Safety Equipment shall accompany this Certificate as follows.

NAME OF YACHT	PORT OF REGISTRY	OFFICIAL NUMBER	IMO NUMBER IF APPLICABLE
	<input type="checkbox"/> BIKINI <input type="checkbox"/> JALUIT		
GROSS TONNAGE	KEEL LAYING DATE	LENGTH OVERALL	LOAD LINE LENGTH

THIS IS TO CONFIRM:

- that the yacht has undergone a Compliance Verification in accordance with the requirements of the Republic of the Marshall Islands (RMI) Maritime Regulations;
- that the yacht has been found to be in compliance with Chapters I, II and V of the RMI Yacht Code;
- that the total number of persons for which life-saving appliances are provided is _____ ;
- that the hull of the yacht was surveyed on _____
by _____ ;
- that the yacht is authorized to engage in trade for up to 84 days per calendar year during the period in which a valid Temporary Certificate of Registry for Yacht Engaged in Trade is maintained on board and
- That the following limitations apply:
 - Operating category: - _____ nautical miles from safe haven;
 -
 -

This Certificate confirms the compliance of the herein described yacht with Chapters I, II, and V of the RMI Yacht Code and shall remain valid, unless otherwise cancelled by the RMI Maritime Administrator, for a period of up to five (5) years, subject to the annual Compliance Verifications being satisfactory held, and provided that the yacht, including its machinery and equipment, is maintained in compliance with the requirements of the RMI Yacht Code. The yacht may not be engaged in trade unless it has been issued a valid Temporary Certificate of Registry for Yacht Engaged in Trade.

Completion date of the survey on which this Certificate is based: day of 20 .

Issued at on the day of 20 .

Valid until: the day of 20 .

The undersigned declares to be a duly authorized agent by the said Government to issue this Certificate.

(Print Name & Sign)
Deputy Commissioner of Maritime Affairs, Republic of the Marshall Islands

CUSTOMS PAPERWORK

The yacht owner, yacht manager, or their agents and representatives must provide the RMI with:

- A copy of the VAT-paid certificate; or
- A copy of the EU customs documentation (*Déclaration d'Importation: IM A*) that states the period for which the yacht will be engaged in trade while under TA.

THE “COMMERCIAL BUBBLE”

- While under TA, the yacht is placed in a “commercial bubble” that can last for the duration of a specific charter or for the period the yacht will be used for charter.
- The RMI will issue a Temporary CoR for YET, valid exclusively within the dates mentioned in the customs documentation, and not exceeding 84 days in a calendar year, during which time the private yacht will behave as commercial, and comply with all rules that apply to such vessels.

Certificate Number



Republic of the Marshall Islands
Maritime Administrator

**Temporary Certificate of Registry for
Yacht Engaged in Trade**

IMO NO.: _____ OFFICIAL NO.: _____ CALL LETTERS: _____ SERVICE: _____

YACHT NAME: _____ HOME PORT: _____

THIS IS TO CERTIFY THAT pursuant to the provisions of the Republic of the Marshall Islands Maritime Act 1990, [Name of Authorized Signatory] having submitted the required documentation does swear and affirm that:

NAME	RESIDENCE	CITIZENSHIP	PROPORTION
is (are) the sole owner(s) of the herein stated and described yacht _____			

FORMER NAME: _____ YEAR BUILT: _____

BUILT BY: _____ PLACE BUILT: _____

CLASSIFICATION SOCIETY: _____ GROSS TONS: _____ NET TONS: _____

TOTAL PROPELLING POWER (kW): _____ LENGTH OVERALL (LOA): _____

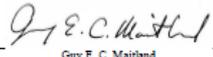
AS PER ITC '09 OR NTC, AS APPLICABLE: LENGTH: _____ BREADTH: _____ DEPTH: _____

and WHEREAS the Republic of the Marshall Islands Maritime Administrator has approved the application of the aforesaid owner for registration of the yacht and whereas the owner has complied with the requirements for registration, the yacht is therefore duly registered under the laws of the Republic of the Marshall Islands. The Maritime Administrator confirms that the private registered yacht has been authorized to engage in trade for the duration of the validity of the Temporary Certificate of Registry for Yacht Engaged in Trade, subject to compliance with the Republic of the Marshall Islands Yacht Code (MI-103), which shall not be more than 84 days within one (1) calendar year.

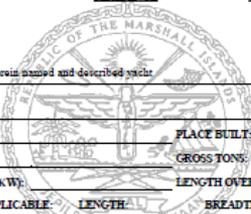
This Temporary Certificate of Registry for Yacht Engaged in Trade and all rights and privileges accorded hereunder, shall remain valid through to the expiration date stated below provided it is accompanied with a valid Yacht Engaged in Trade Compliance Certificate. While operating under this Temporary Certificate of Registry for Yacht Engaged in Trade, all other certificates of registry are invalid for the time period stated below.

This yacht is subject to the following operations limitations:
a) Operating category: _____ nautical miles from safe harbor;
b) _____
c) _____

Issued by the Authority of the Maritime Administrator of the Republic of the Marshall Islands at _____ this _____ day of _____, 20____, valid from the period of the _____ day of _____, 20____ to the _____ day of _____, 20____.



 Guy E. C. Maitland
 Senior Deputy Commissioner of Maritime Affairs



MI-200YET (Rev. xx/xx)

THE “COMMERCIAL BUBBLE” (continued)

Temporary Certificate of Registry
for Yacht Engaged in Trade

Certificate Number



Republic of the Marshall Islands
Maritime Administrator

**Temporary Certificate of Registry for
Yacht Engaged in Trade**

IMO NO.: _____ OFFICIAL NO.: _____ CALL LETTERS: _____ SERVICE: _____

YACHT NAME: _____ HOME PORT: _____

THIS IS TO CERTIFY THAT pursuant to the provisions of the Republic of the Marshall Islands Maritime Act 1990, [Name of Authorized Signatory] having submitted the required documentation does swear and affirm that:

NAME	RESIDENCE	CITIZENSHIP	PROPORTION

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FORMER NAME: _____ YEAR BUILT: _____

BUILT BY: _____ PLACE BUILT: _____

CLASSIFICATION SOCIETY: _____ GROSS TONS: _____ NET TONS: _____

TOTAL PROPELLING POWER (kW): _____ LENGTH OVERALL (LOA): _____

AS PER ITC '69 OR NTC, AS APPLICABLE: _____ LENGTH: _____ BREADTH: _____ DEPTH: _____

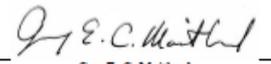
and WHEREAS the Republic of the Marshall Islands Maritime Administrator has approved the application of the aforesaid owner for registration of the yacht and whereas the owner has complied with the requirements for registration, the yacht is therefore duly registered under the laws of the Republic of the Marshall Islands. The Maritime Administrator confirms that the private registered yacht has been authorized to engage in trade for the duration of the validity of the Temporary Certificate of Registry for Yacht Engaged in Trade, subject to compliance with the Republic of the Marshall Islands Yacht Code (MI-103), which shall not be more than 84 days within one (1) calendar year.

This Temporary Certificate of Registry for Yacht Engaged in Trade and all rights and privileges accorded hereunder, shall remain valid through to the expiration date stated below provided it is accompanied with a valid Yacht Engaged in Trade Compliance Certificate. While operating under this Temporary Certificate of Registry for Yacht Engaged in Trade, all other certificates of registry are invalid for the time period stated below.

This yacht is subject to the following operations limitations:

- a) Operating category: _____ nautical miles from safe haven;
- b) _____
- c) _____

Issued by the Authority of the Maritime Administrator of the Republic of the Marshall Islands at _____ this _____ day of _____, 20____, valid from the period of the _____ day of _____, 20____ to the _____ day of _____, 20____.



 Guy E. C. Maitland
 Senior Deputy Commissioner of Maritime Affairs

MI-200YET (Rev. xx/xx)



THE “COMMERCIAL BUBBLE” (continued)

“The Maritime Administrator confirms that the private registered yacht has been authorized to engage in trade for the duration of the validity of the Temporary Certificate of Registry for Yacht Engaged in Trade, subject to compliance with the Republic of the Marshall Islands Yacht Code (MI-103), which shall not be more than 84 days within one (1) calendar year.”

Certificate Number



Republic of the Marshall Islands
Maritime Administrator

Temporary Certificate of Registry for Yacht Engaged in Trade

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 YACHT NAME: _____ HOME PORT: _____

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NAME	RESIDENCE	CITIZENSHIP	PROPORTION
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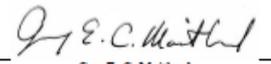
FORMER NAME: _____ YEAR BUILT: _____
 BUILT BY: _____ PLACE BUILT: _____
 CLASSIFICATION SOCIETY: _____ GROSS TONS: _____ NET TONS: _____
 TOTAL PROPELLING POWER (kW): _____ LENGTH OVERALL (LOA): _____
 AS PER ITC '69 OR NTC, AS APPLICABLE: _____ LENGTH: _____ BREADTH: _____ DEPTH: _____

and WHEREAS the Republic of the Marshall Islands Maritime Administration has approved the application of the aforesaid owner for registration of the yacht and whereas the owner has complied with the requirements for registration, the yacht is therefore duly registered under the laws of the Republic of the Marshall Islands. The Maritime Administrator confirms that the private registered yacht has been authorized to engage in trade for the duration of the validity of the Temporary Certificate of Registry for Yacht Engaged in Trade, subject to compliance with the Republic of the Marshall Islands Yacht Code (MI-103), which shall not be more than 84 days within one (1) calendar year.

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This yacht is subject to the following operations limitations:
 a) Operating category: _____ nautical miles from safe haven;
 b) _____
 c) _____

Issued by the Authority of the Maritime Administrator of the Republic of the Marshall Islands at _____ this _____ day of _____, 20____, valid from the period of the _____ day of _____, 20____ to the _____ day of _____, 20____.



 Guy E. C. Maitland
 Senior Deputy Commissioner of Maritime Affairs

MI-200YET (Rev. xx/xx)



THE “COMMERCIAL BUBBLE” (continued)

At the expiration of the validity of the YET CoR, the vessel exits the “commercial bubble” and can no longer be chartered, and can be used again by the owner without the tax burdens associated with commercial operation.

Certificate Number



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Maritime Administrator

**Temporary Certificate of Registry for
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YACHT NAME: _____ HOME PORT: _____

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TOTAL PROPELLING POWER (kW): _____ LENGTH OVERALL (LOA): _____

AS PER ITC '69 OR NTC, AS APPLICABLE: _____ LENGTH: _____ BREADTH: _____ DEPTH: _____

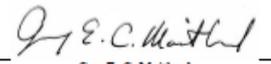
and WHEREAS the Republic of the Marshall Islands Maritime Administrator has approved the application of the aforesaid owner for registration of the yacht and whereas the owner has complied with the requirements for registration, the yacht is therefore duly registered under the laws of the Republic of the Marshall Islands. The Maritime Administrator confirms that the private registered yacht has been authorized to engage in trade for the duration of the validity of the Temporary Certificate of Registry for Yacht Engaged in Trade, subject to compliance with the Republic of the Marshall Islands Yacht Code (MI-105), which shall not be more than 84 days within one (1) calendar year.

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This yacht is subject to the following operations limitations:

- a) Operating category: _____ nautical miles from safe haven;
- b) _____
- c) _____

Issued by the Authority of the Maritime Administrator of the Republic of the Marshall Islands at _____ this _____ day of _____, 20____, valid from the period of the _____ day of _____, 20____ to the _____ day of _____, 20____.



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 Senior Deputy Commissioner of Maritime Affairs

MI-200YET (Rev. xx/xx)



YET PROGRAM

Applicability

- Eligible RMI flagged private yachts that seek to charter in French and Monegasque waters, provided that they comply fully with the requirements for commercial yachts in the MI-103

Limitations

- Not all EU or Mediterranean, only in France and Monaco
- Non-EU beneficially owned yachts (under TA) or VAT-paid yachts
- Full commercial compliance, including MLC, 2006
- Full compliance includes LL Convention, which applies to vessels 24m and over

CONTACT US

Diego Ramírez
General Manager
dramirez@register-iri.com
Cell: +1 954 401 1164

Ionna Hernandez
Business Development Manager, Yachts
ihernandez@register-iri.com
Cell: +1 954 205 2323

International Registries, Inc.
The Marshall Islands Registry

Harbor Place, Suite 403
1850 S.E. 17th Street
Ft. Lauderdale, FL 33316

Tel: +1 954 763 7775
ft.lauderdale@register-iri.com



THANK YOU



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