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ADVOCATES

A LEADING MARITIME AND YACHTING HUB

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Malta is internationally recognised as a leading yachting jurisdiction, underpinned by a sophisticated and commercially responsive legal, regulatory, and operational framework. Its strategic position at the crossroads of Europe, North Africa, and the Middle East, together with a long-established maritime tradition, has positioned Malta as a globally respected centre for yacht owners and operators.

Key Advantages

Strategic location — Malta's position in the heart of the Mediterranean provides ideal access to European, North African, and Middle Eastern waters;

EU registry benefits — Full EU-flagged vessel status, enabling free movement throughout EU waters. As an EU Member State, Malta offers a stable, transparent, and fully EU-compliant legal and regulatory environment, supported by an efficient maritime administration;

Established maritime tradition — The Malta Ship Registry is one of the most active and reputable globally, reflecting sustained confidence in Malta's maritime governance, with over 1,000 superyachts registered;

Comprehensive services ecosystem — Full range of registration, compliance, tax, and operational support services available, and a proven track record in superyacht registration and maintenance;

Attractive tax regime — Competitive VAT rate;

Quality infrastructure — Modern marinas, superyacht facilities, and maintenance services throughout the Maltese islands;

English-speaking workforce — English is an official language and used in businesses, legislation, and the courts, facilitating ease of communication and legal certainty for international stakeholders;

A comprehensive legal framework — Malta's National Policy for Yachting demonstrates long-term governmental commitment to the sector, with a focus on digital maritime services, sustainable and environmentally compliant infrastructure, and sector-specific workforce development.

REGISTRATION AND LICENSING

(i) Types of Yachts

Malta offers flexible registration pathways for different vessel types and ownership structures:

Pleasure yacht registration:

Applicable to yachts which do not carry passengers for reward, are not engaged in trade, and are used exclusively for the owner's private purposes;

Commercial yacht registration:

Commercial yacht registration: applicable to yachts which do not carry cargo and are operated commercially by the owner or the owning corporate entity;

Bareboat charter registration:

Bareboat charter registration: allows the bareboat charter registration of foreign yachts under the Maltese flag, as well as Maltese-registered yachts under a foreign flag. Bareboat-chartered yachts registered in Malta enjoy the same rights and privileges, and are subject to the same obligations, as other yachts registered under the Maltese flag.

REGISTRATION AND LICENSING

ii) Eligibility Requirements

The following persons are qualified to own a Maltese-registered yacht:

- Citizens of Malta;
- Bodies corporate established in Malta; and
- Citizens of the EU, EEA, Switzerland, or the UK who are residing in Malta.

In addition, the following persons qualify as "international owners" and are also eligible to own a Maltese-registered yacht:

- A foreign body corporate which enjoys legal personality, to the satisfaction of the Registrar-General, under the law of its incorporation, and which has satisfied (or is presumed to satisfy) the Registrar-General that it can and will ensure due observance of the laws of Malta relating to merchant shipping; or
- A citizen of the EU, EEA, Switzerland, or the UK who is not residing in Malta.

International owners must appoint in writing a resident agent in Malta.

The resident agent acts as the international owner's representative before Maltese authorities, signs and files declarations and forms on the owner's behalf and serves as the judicial representative of the international owner for proceedings in Malta.

Where an individual or entity does not fall within any of the categories above. For example, a person who is not a citizen of the EU, EEA, Switzerland, or the UK registration may alternatively be achieved through the incorporation of a Maltese limited liability company to hold the yacht, provided that company satisfies the conditions for registration under the Merchant Shipping Act.

A dedicated Code of Standards for Resident Agents (the "Code") has been introduced, compliance with which is mandatory or, where indicated, applies on a best-practice basis. The Code establishes comprehensive governance and compliance requirements, including ongoing sanctions screening of international owners, shareholders, ultimate beneficial owners, and directors; protocols governing the establishment and maintenance of the relationship with the international owner, including defined communication procedures and agreed terms for appointment and termination; detailed documentation collection requirements (such as constitutional documents, ownership structure charts, legal opinions, directors' declarations, and identification of ultimate beneficial owners); and annual declaration obligations to ensure continuous compliance and to confirm any changes in ownership, control, or corporate structure.

REGISTRATION AND LICENSING

(iii) Registration Timeframes

Yacht registration, whether private or commercial, is a straightforward process, provided that all required documentation is in order.

Vessels are initially registered provisionally under the Maltese flag for a period of six months, which may be extended for further periods not exceeding an aggregate of six additional months. During the provisional registration period, all outstanding documentation must be finalised and submitted in order for the registration to be converted into permanent status.

The registration process for commercial yachts has the additional requirement that commercial yachts comply with the Commercial Yacht Code or an equivalent recognised standard.

(iv) Documentation Required

The documentation required for provisional registration includes:

- Application for registration submitted by the owner or an authorised representative, including (where applicable) an application for a change of yacht name;
- Proof of qualification to own a Maltese-registered yacht; in the case of a body corporate, the relevant incorporation documents;
- Appointment of a resident agent, where the owner is not resident in Malta;
- Copy of the yacht's International Tonnage Certificate, where applicable;
- Declaration of ownership made before the Registrar by the owner or an authorised representative;
- For commercial yachts exceeding 24 metres, an application for a Minimum Safe Manning Certificate;
- Application for a Ship Radio Station Licence;
- Compliance with the Commercial Yacht Code for the operational certificate; and
- Payment of initial registration fees and annual tonnage tax.

During the provisional registration period, additional documentation must also be submitted, such as a bill of sale (where there has been previous ownership) and a deletion or cancellation of registry certificate issued by the administration where the yacht was previously registered (if applicable).

TAXATION FRAMEWORK

Malta offers one of the most competitive VAT environments in Europe for yachting activities, with a standard VAT rate of 18% — significantly lower than many other European jurisdictions where rates often range between 20–25%.

Yacht Leasing

Malta's tax framework permits the use of leasing structures that provide significant cash flow advantages by deferring VAT liability. Rather than paying VAT on the full acquisition cost immediately, the yacht can be acquired through a leasing arrangement where VAT is payable only on the periodic lease payments, spreading the tax liability over the term of the lease rather than requiring full payment upfront.

Such a leasing arrangement generally involves a Maltese limited liability company, which as owner and lessor of the yacht, would be registered for VAT purposes in Malta and would lease the yacht to the operator under a lease agreement entered into on arm's length terms. The lessor must possess a valid Maltese VAT identification number and would generally need to charge the lessee VAT at 18%, but only on the portion of lease payments corresponding to the yacht's actual use and enjoyment within EU territorial waters (as explained below).

At the end of the lease term or upon termination, the yacht may be sold by the lessor to the lessee (or a third party). Generally (unless an exemption applies), the lessor would need to apply VAT at 18% on the taxable value of the sale. Such value should not be lower than the original acquisition value less certain deemed depreciation rates prescribed at law.

The company incorporation process in Malta is efficient and straightforward and is done online, with the Malta Business Registry generally processing incorporation documents within 4–8 working days.

TAXATION FRAMEWORK

Use and Enjoyment

Malta has put in place a framework that allows lessors of pleasure yachts to align their VAT obligations with the portion of time a yacht genuinely spends sailing within EU waters. Where a yacht is also operated beyond EU territorial limits, a lessor may seek to reduce the effective VAT burden so that it reflects only the period of EU-based use.

Given that lease payments are frequently settled in advance, it is not always possible for a lessor to know at the outset how much of the relevant period will be spent outside EU waters. For this reason, lessors are required to charge VAT in full during an initial period, and then, once that period has passed, to gather verifiable evidence from the lessee (such as navigational logs, GPS records and AIS data) to establish what proportion of use actually occurred within EU territory. Where that proportion is below 100%, the lessor is entitled to adjust for the excess VAT charged, through its VAT return in the following period.

It is important to note that the provisions may only be relied upon where it is genuinely possible to identify and evidence the yacht's location throughout the relevant period.

Short-Term Charters

As of 1st January 2024, qualifying short-term charters commencing in Malta are subject to a special reduced VAT rate of 12%.

Why chose Malta for yachting?

Malta offers a stable, EU-compliant legal framework that provides regulatory certainty, supported by well-established maritime law and a strong professional ecosystem of experienced maritime lawyers, surveyors, technical experts, and service providers. Yacht owners and operators benefit from an exceptional quality of life, including a Mediterranean climate, an English-speaking environment, and excellent amenities. The country's modern international airport provides strong connectivity across Europe, the Middle East, and North Africa, while competitive registration fees, operating costs, and professional service rates make Malta an attractive alternative to other leading yacht registries.

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Have Questions?
We're Here to Help.

Our team provides comprehensive support for all aspects of yacht registration, ownership structuring, tax structuring and ongoing operations in Malta.

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