

Taking to the high seas



PURCHASING a superyacht is a very exciting moment, but as with all major asset acquisitions they can become a stressful process with many pitfalls to watch out for to ensure that you get what you pay for.

The key when buying a superyacht, either a new build or second hand is to have an experienced professional team consisting of a surveyor, sales broker and lawyer that all have your best interests at heart.

One key aspect to consider is structuring the purchase of a superyacht. In recent times the scrutiny of tax avoidance schemes has been high on the agenda for many countries within the EU and beyond. With the increase in public pressure to clamp down on ultra-high-net-worth individuals, tax authorities are now looking at superyachts a lot more closely.

All superyachts need to be registered at a port in a particular country and this will have implications for tax and the use of the superyacht. It is important not to make decisions on the

OWNING A SUPERYACHT IS THE ULTIMATE IN LUXURY LIVING, BUT WHAT ARE THE LEGAL IMPLICATIONS?

structure first to simplify the purchase of yacht but to consider the life cycle of the superyacht i.e. you need to know how and where you will use the yacht in the future. For example, it is important that if buying a superyacht for personal use, a buyer needs to ensure that it is also registered in a way that is effective to make the yacht commercially

compliant for onward sale.

It is also essential to determine whether any VAT will be payable on the purchase and continued use of the superyacht. This is dependent on where the owner is resident, how the superyacht is being used, place of delivery and chosen port of registry.

A prudent owner should be thinking about the long-term life cycle of the superyacht, rather than short-term costs reductions.

At GSC we assist clients in putting together a professional team to make the process of buying a superyacht an enjoyable experience. To find out more contact jcohen@gscsolicitors.com