



MALTA
**INSTITUTE
OF TAXATION**

MIT Tax & Industry Series:
Yachting and Shipping

July 2024

MIT Tax & Industry

Series: Yachting and Shipping

A holistic overview of the key tax and VAT considerations relevant to the yachting and shipping sector over 3 sessions, starting off with an introduction to the sector and the relevant regulatory and practical aspects and moving on to the income tax considerations as well as the VAT treatment of transactions in the yachting and shipping sectors, with particular focus on the implications in practice.

- **Session 1: General background: The yachting and shipping industry**

This session shall endeavour to cover inter alia the following topics:

- General introduction to yachting and shipping;
- Outlining key differences between yachting and shipping;
- Private versus commercial yachting;
- Different industries in shipping (maritime transport, oil and gas etc)
- An overview of the different types of vessels (and their principal uses)
- The main stakeholders involved in yachting and in the shipping sector.
- Particular terminology used in shipping trade;
- Particular terminology and procedures found in yachting;
- Ownership requirements under, and benefits of, the Malta flag.
- Sources of law relevant to tax and VAT matters in shipping and yachting

- **Session 2: Income tax considerations applicable to the yachting and shipping industry**

This session shall endeavour to cover inter alia the following topics:

- General overview of the income tax options available to the yachting and shipping companies.
- Extensive overview of the tonnage tax regime, both from a theoretical and practical point of view.
- Outlining the differences, and the potential benefits, between the normal tax regime versus the tonnage tax regime.
- Discussing the taxation of Advanced Provisional Allowance (APA)
- Taxation of seafarers

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- **Session 3: VAT considerations applicable to the yachting and shipping industry**

This session shall endeavour to cover inter alia the following topics:

- General VAT principles
- New means of transport and the VAT implications arising thereof.
- VAT implications arising in the context of yachting owning companies, where the yacht is used purely for pleasure purposes.
- VAT implications arising in the context of yacht owning companies, where the yacht is used for the purpose of chartering.
- VAT implications arising in the context of operating leases.
- 12% reduced VAT rate applicable on the hiring of pleasure boats.
- The VAT implications arising in the context of ships.
- ECJ Case Law (C-116/10): Bacino Charter Company SA.
- Input VAT recoverability in the context of yachts and ships.
- Other important considerations: intrastats, VAT refund under the 8th Directive, VAT paid status, importance of the contractual agreements in place between the different parties.

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PROGRAMME DETAILS

- **3 lectures** (2 hours each) in July 2024 *[timetable below]*
- **Online**
- **6 Core CPE hours**
- **A Certificate of Attendance** will be given to attendees
- **No assessment**
- **Option** to follow the **full programme** (3 lectures) or any session
- Fee:
 - Full Course: MIT Member €105; Non-Members €147; Students €84
 - One Lecture: MIT Member: €45; Non-Members €60; Students €35

Timetable

DATE	DETAILS			
3 July 2024	Session 1	General background: The yachting and shipping industry	Alison Vassallo & Adrian Attard	10.00 – 12.00
9 July 2024	Session 2	Income tax considerations applicable to the yachting and shipping industry	William Cassar & Maria Kristina Cauchi	10.00 – 12.00
17 July 2024	Session 3	VAT considerations applicable to the yachting and shipping industry	William Cassar & Kurt Micallef	10.00 – 12.00

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