

## Vessel Registration in Gibraltar

Situated in the midst of the Mediterranean and Atlantic shipping lanes



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### Introduction

Gibraltar is a self-governing British Overseas Territory situated on the tip of the Iberian Peninsula at the entrance to the Mediterranean. It's location in one of the major crossroads of world trade means that it has one of the busiest Ports in Europe. Other than the bustling port activity, Gibraltar draws significant interest from around the globe; the territory recorded nearly 12 million visitors in 2011 giving it one of the highest visitor-to-resident ratios in the world. A wealth of military heritage, duty free shopping, a playful population of Barbary Macaques, and over 300 days of sunshine are just a few of the attractions.

Shipping and tourism play a major part towards the successful economy of Gibraltar and in addition to this, Gibraltar is also regarded as a well regulated international, low tax finance centre and a global leader in the virtual gaming industry. It is a member of the EU and enacts all EU directives. These factors have allowed the Gibraltar economy to continue to grow despite the global economic and financial downturn in recent years.

### Tax advantages

Gibraltar enjoys an independent tax status from the United Kingdom and there many tax advantages to be sought. If a vessel owned by a Gibraltar company is not trading in Gibraltar

it will not be subject to taxation as the income of the Company does not accrue or derive from Gibraltar. Nevertheless a Gibraltar registered vessel is still required to pay the annual standard tonnage tax.

If owners do not wish to use a Gibraltar registered company to own a vessel registered in the port of Gibraltar, it is possible to use a Foreign Maritime Entity incorporated in another jurisdiction.

Another advantage afforded by the Gibraltar ship registry is that pleasure craft can be registered in Gibraltar with no VAT levied on the yacht provided certain conditions are met. Gibraltar registered yachts with non-EU resident owners can apply for VAT-free temporary importation to sail in EU waters for an 18 month period. In addition to this, there are no taxes payable in Gibraltar on the importation or sale of the vessel, nor inheritance tax on the demise of the owner.

### Gibraltar registered vessels

The Gibraltar Ship Register is a member of the Category 1 Red Ensign Group of the UK and the UK dependency register, it is also considered to be a Member State's register for the EU therefore and a vessel registered in Gibraltar is regarded as a UK ship in the Port of Gibraltar. An advantage of this is that a vessel registered in Gibraltar may seek assistance from any of the many British Embassies and Consulates throughout the globe, wherever it may be.

On registration, British Law applies to the vessel and as the only true common law jurisdiction in the Mediterranean, Gibraltar is a very attractive Port for those considering the registration of their vessel. The registration procedure provides conclusive proof of ownership of the yacht thus making the proving of legal title on transfer straightforward.

### **The Gibraltar Port Authority**

The Gibraltar Port Authority oversees all operational matters to ensure the navigational safety and smooth running of the Port. Their main functions include the monitoring and control of all vessel movements for BGTW (British Gibraltar Territorial Waters), the provision and monitoring of port security, the licensing of port operations, search and rescue in BGTW, pollution prevention and response, and the monitoring and control of ship-to-ship and bunkering operations within BGTW.

The Gibraltar Port Authority makes continuous efforts to improve its facilities and infrastructure in order that it can provide the best possible service to the diverse mix of users. An attractive asset to Gibraltar's waters is the one metre tidal range will allows cruise ships to berth alongside the port's Cruise Terminal at any time of day or night within an hour of leaving the

main shipping lanes of the Strait of Gibraltar.

The Port of Gibraltar continues to grow in size, stature and importance however its operators have maintained the belief that safety and environmental concerns associated with the port continue to be given top priority.

### **The Gibraltar Yacht Registry**

Gibraltar boasts of an internationally recognized British Yacht Registry who is responsible for maritime administration in Gibraltar. They provide a high quality, very efficient and cost-effective service. All documents submitted are processed within 24 hours and a same day service is also available.

There are currently over 800 active pleasure yachts on the register which enjoy and benefit from comprehensive maritime legislation based on English Common Law.

### **Classification of Yachts**

In Gibraltar there is a separate register for commercial and pleasure vessels with no size limit for pleasure vessels like in some jurisdictions.

Vessels are not required to be physically inspected and/or surveyed within the jurisdiction, instead they must every produce a Measurement and Tonnage Survey

Certificate issued by an approved society.

### **Bunkering**

Bunkering, the supply of fuel to vessels, is the main activity within the Port of Gibraltar. With very competitive fuel prices and situated in the midst of the Mediterranean and Atlantic Shipping lanes, it is one of the largest bunkering ports in the Mediterranean.

Gibraltar's bunkering companies can supply all grades of marine fuel from 30 cSt to 380 cSt and bunkers can be delivered by barge to the vessel whilst anchored in the Bay, and also to berths in the harbour.

The market is fast paced and competitive due to the high turnover. The Bunkering Superintendent monitors the bunkering operations in the Port and applies a very stringent code of practice with safety and environmental concerns being top priority. The market is continuously monitored by the Government to ensure competitiveness remains.

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