



AG ADVISORY

Why Start a Superyacht Charter from Malta in 2024?

I have often been asked this question over the years notwithstanding that I am a lawyer by profession, not a charter broker or operator. On the other hand, as a local, and moreover always a good guest on board yachts and charter yachts during Spring and Summer (though I cannot claim to be chartering any superyacht), I always felt entitled to give my opinion.

Truth is that there has never been a better time to start a superyacht charter from Malta.

Malta provides a great service offering right from the minute one lands in Malta. Local FBO companies are experienced in providing services from handling to providing concierge services, allowing for a discrete passage from the airport, via immigration if needed, and straight on board in 30 minutes. Marinas are well equipped and generally offer good services. Cruising around the islands for those who want to spend a few days offers unexpected surprises, especially around May and June when it's still quite and the sea is already reasonably warm. Malta promises diving adventures and even the fishing is not bad. Finishing a day with a stroll in Mdina, and a tasty dinner and bottle of wine is magic.

During the course of 2023 a number of clarifications were sought and obtained about foreign vessels arriving and visiting Malta so that the system is now well oiled, and we have a number of valid yacht agents competent and willing to support any captain and crew with these processes and make it easy to obtain provisions and anything that is needed on arrival.

Another value proposition is that presented by the local yards and service providers allowing for works to be done during a short timeframe of a few weeks when the yachts move to the Med from the Caribbean or need to outfit before the season. The workmanship locally is of high quality and prices remain reasonable. Malta also serves as a good base for the crew to rest and recharge ahead of the season and offers many activities and places for leisure, sport and entertainment.

Arguably we are many miles away from the more sought-after areas of the North part of the West Med, however combining a few days in Malta with cruising around Sicily, the Ionian islands, the Southern parts of Italy, or even Greece is definitely a great holiday experience. An experience immersed in good life, colours, great food and music, and for those who look for its history and culture.

Apart from the service offering and location, I note that 2024 differs from other years also because of the new initiatives and measures introduced ahead of the coming charter season, which may in part make up for the Malta miles!

In October of 2023 the Maltese legislator published a legal notice providing for a special VAT rate of 12% to apply for the short-term hiring of yachts. This legislation was followed upon earlier this



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year with Guidelines from the Malta Tax & Customs Administration, and thereafter a Port Notice from Transport Malta creating a smooth and clear framework for the application of this measure.

In short, a visiting yacht, which should be registered for commercial purposes and have contracted a charter to commence from Malta in 2024, intending to make use of this measure should organize itself so that the owning company obtains a VAT number in Malta in view of the intended charter business. The yacht needs to be in free circulation, and if not, then the yacht's importation needs to be organized too. In addition, the yacht should undertake the usual arrival formalities (though no local licensing requirements will apply) which differ depending on the size of the yacht, so I would recommend the appointment of a knowledgeable local agent.

Prior to the arrival of guests on board the owning company can organize supplies in Malta, and if these, including provisioning and fuel, are mentioned as part of the price in the charter agreement, then the special VAT rate should apply to these supplies too. Guests could then board the yacht, ideally all in Malta, but not necessarily, and commence their vacation.

Do please consider Malta if you are an owner, owner representative, charterer, charter broker or captain working on the 2024 season cruising. Please reach out to me for information on ag@agadvisory.mt on the VAT & Customs matters and measures abovementioned, or introductions to any local agents or even just for tips of the best food hideouts or places to drop anchor.

