

CENTTRIP GUIDE

The evolution of superyacht ownership

Insights for partners, advisers and service providers



Centtrip

Contents

Foreword	5
The evolution of ownership	6
How is yacht ownership changing?	8
Eleven variables in asset structure decisions	12
The consequences of complexity	26
Centtrip: simplifying cash flows for complex asset structures	29
Acknowledgements & References	31



Foreword

Today’s superyacht owners want to spend longer onboard, sail further and cross different jurisdictions.

Younger owners are more questioning and they have more options. Can I run my business from the middle of the ocean on Starlink? Can we pay with crypto? And, which flag should I choose?

More than anything, yacht owners are concerned for the privacy and security of their families, guests and crew. They are torn between demands for transparency and a desire for privacy.

In this report, **The Evolution of Superyacht Ownership**, we explore how those critical decisions on ownership structure – asset structure – for superyachts are changing and what the changes in decision-making process mean for the partners, advisers and service providers who operate in the industry.

In researching the report, we spoke with leaders from across the sector who generously gave their time and expertise, and I am enormously grateful for their invaluable contributions.

Centtrip supports the businesses that support the super wealthy. Our clients include family offices, yacht management companies, corporate service providers and the like, many of whom will be affected by the evolving complexities described in this report.

If you are one of those or simply find the superyacht world as fascinating as I do, I hope you find the report insightful and useful.



JANE TURNER
CEO, CENTTRIP

The evolution of ownership

The balance of priorities for a yacht ownership structure is changing in response to a changing world and the decision process is becoming more complex. What does this mean for superyacht owners, managers and advisers?

Asset structures – the arrangement of legal entities put together to own and operate an expensive luxury asset like a superyacht – begin with the need for operational simplification and delegation. They are then driven by a combination of priorities, primarily:

- Protection from liability
- Mitigation of taxes
- Desire for privacy

Individual elements need to be selected and combined in a way that addresses such issues as access to finance and flexibility of crewing. While tax mitigation has long been the key factor, recent years have seen increasing concern for privacy and security.

At the same time, decisions on the exact structure have become more involved. There are more moving parts, more variables

to consider: evolving use patterns, changes in demography, developing technology and emerging flag states amongst other factors.

Societal change also influences asset structure decisions: tightening of tax legislation, a regulatory drive towards transparency, a lower cultural tolerance for the privacy of the wealthy, and increased security threats from criminals, activists and terrorists.

As Dominic Bulfin, superyacht lawyer and Legal Director at Hill Dickinson LLP says: “The [asset] structures themselves haven’t changed massively, the reasons for using them haven’t changed, but the world in which they are applied has.”

How does this affect owners, managers, advisers and service providers?



“Asset structures themselves haven’t changed massively, the reasons for using them haven’t changed, but the world in which they are applied has.”

DOMINIC BULFIN
LEGAL DIRECTOR, HILL DICKINSON LLP

How is yacht ownership changing?

Elements of a typical superyacht asset structure

“Owners often begin with a very simplistic approach to their yacht,” says Bruce Maltwood, Director of Yacht Services at Praxis.

“Many owners buy a yacht to simply relax and spend quality time with friends and family, but then they realise the complexities involved in owning and operating a yacht. It is very difficult for owners to know who they can trust in an industry where very few services are regulated. Lawyers and corporate services are the two areas of familiarity from their business worlds and this forms a good base from which to select and engage the other service providers required to support the yachts.”

Suddenly it becomes more like running a business.

Chris Stokes, Partner at Safehaven Marine Services & PTC Fiduciaries agrees. “One of the biggest drivers over the past ten years has been the significant increase in the size of the yachts. We now have a global superyacht fleet of circa 6,500 yachts over 30m. Simply put, the larger the yacht, the more regulations and compliance requirements there are, not to mention the huge increase in crewing requirements which means implementing the correct structures is vital.”

“COVID was a game changer,” Chris continues. “We now see clients using their yachts for longer periods of time, varying their home ports and travelling to more destinations than ever before. That has had an impact on where they're flagged, where they're crewed, and, subsequently, where the yacht ownership and crew structures are formed and administered.

An asset structure enables the necessary delegation of powers to simplify ownership and enable others to manage the day-to-day operations of the yacht.

From there, the goals of protection from liability, tax mitigation and desire for privacy have led to the following typical asset structure, where each element can sit in a different legal jurisdiction.

The **owning entity** is the registered owner of the yacht and helps protect the owner from liability.

A **trust or foundation** typically owns the yacht-owning entity and provides an additional layer of privacy between the yacht and the UBO to counter unwanted intrusion.

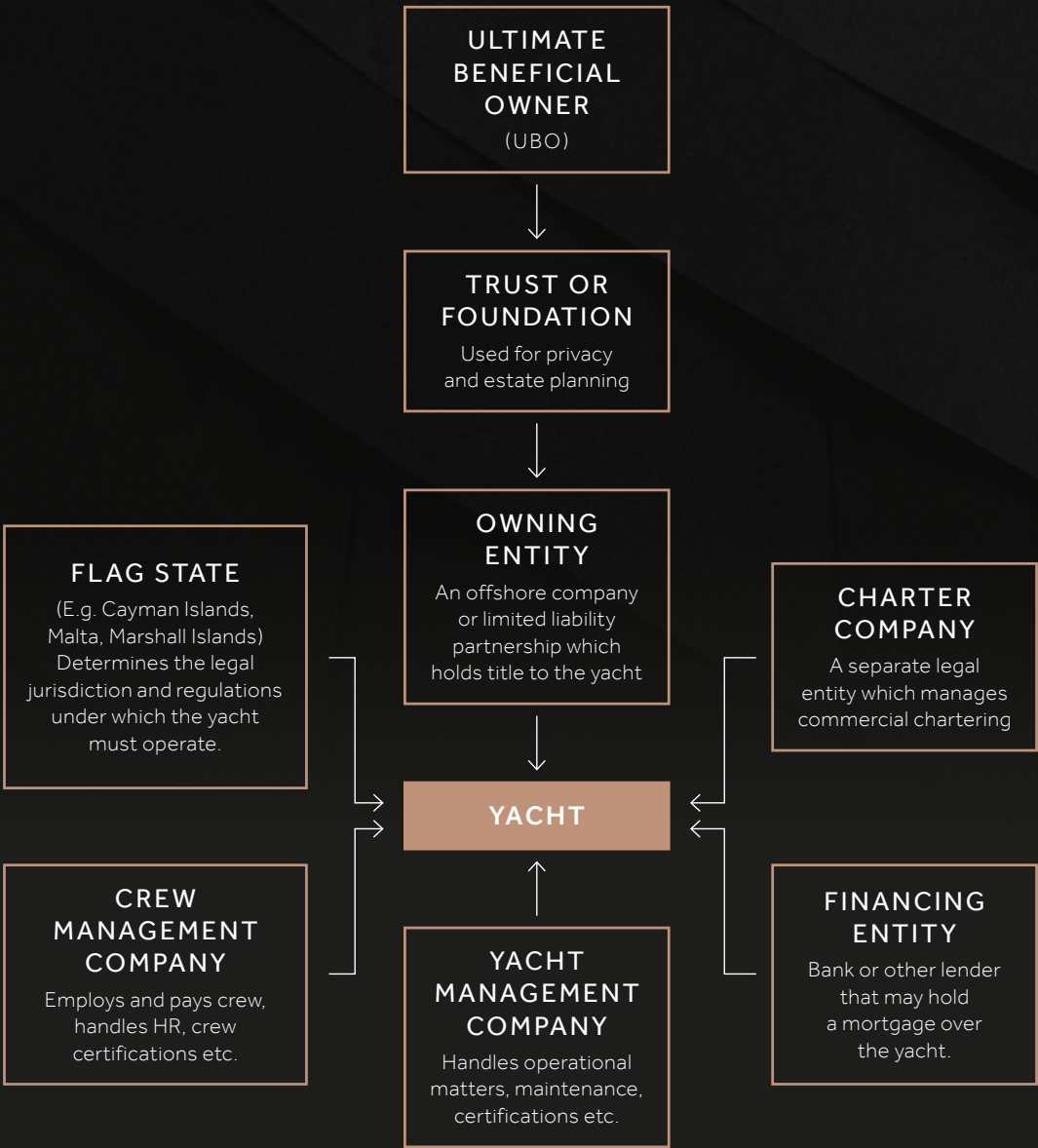


FIGURE 1 Typical superyacht asset structure

Global action and reaction in the 21st century

Asset structure decisions are increasingly driven by concerns for privacy and security.

"We've been through a period of 20 years where the asset ownership decision was purely tax driven," says Ian Petts who is responsible for European Business Development at tax, structure and customs specialists Martyn Fiddler. "Mitigating liability to VAT was the main angle. But now owners are seeking structures (ownership solutions) that provide 100% anonymity."

Ownership of luxury assets like superyachts came under greater scrutiny in the early 2000s, swept up in the global anti-money laundering crackdown of 2001's USA PATRIOT Act¹ and 2003's Financial Action Task Force FATF 40 Recommendations.²

Before this, ownership often involved convoluted structures where multiple offshore companies, foundations and trusts created

a smokescreen to real ownership rather than serving a genuine purpose.

Regulations like BEPS,³ CRS⁴ and FACTA,⁵ along with the harmonisation of international regulations, made these expensive structures redundant.

"They are no longer of any value," says Vincent McCartney, CEO of Camper & Nicholsons' Corporate Services, "because ultimately the UBO is being reported back one way or another."

In their place, we are seeing the simpler arrangement described above where a well-structured trust or foundation owns a company that owns the asset.

"It's a very simple and effective structure that keeps the UBO out of the public domain and enables them to distance themselves through the trust instrument," Vincent explains.

Fire breaks and bond structures

A small number of the most private owners go further to protect their privacy.

Privacy and confidentiality in this context refer only to public scrutiny. The lawyers, advisers, corporate service providers and yacht registries involved will know who the UBO is because global anti-money laundering (AML) regulations require them to each perform their own KYC (know your customer) checks. They are bound by professional confidentiality but required by AML regulations to know on whose behalf they are working.

However, anyone with access to a country's yacht registry and register of beneficial owners would potentially have access to a yacht's asset structure. A small number of very private owners use additional means to protect their privacy.

Some will attempt to utilise loans to create a "fire break" in the ownership structure, isolating the UBO from the asset. On paper the third party owns the yacht but the UBO continues to control it.

As Dominic Bulfin explains, "Owners often mistakenly believe that this structure makes the purchasing party the UBO but, under UK regulations, we look beyond the structure to understand who ultimately controls the yacht. So, we not only need to identify and verify the persons named in the structure itself, we also need to identify and verify any controlling individual(s) to ensure (among other things) their legitimacy, the legitimacy of their source of wealth and funds, and the legitimacy of utilising such a structure."

Another approach sometimes used is to issue bonds from the owning SPV. The bond structure then owns the yacht and ownership of the bonds can be obscured. Bond-based asset structures, however, are controversial and can raise red flags with regulators as the anonymity is sometimes misused, for example, to protect sanctioned individuals.

"Because of increasing international regulation on transparency, convoluted and expensive asset structures are no longer of any value. Ultimately, the UBO is being reported back one way or another."

VINCENT MCCARTNEY
CEO OF CAMPER & NICHOLSON'S CORPORATE SERVICES



Eleven variables in asset structure decisions

Although core asset structures have become simpler, the world in which they operate has become more complex.

ONE

Privacy and security

Privacy has always been a concern for the very wealthy and the evolution of regulations like Common Reporting Standards and the FATF 40 Recommendations has created a tension between demands for transparency and desire for privacy.

Owners' worries about security and intrusion have grown. The risk of terrorist attack, piracy,⁶ environmental and other activism⁷ are all good reasons to wish a yacht's ownership to remain confidential.

However, there is a socio-cultural trend towards greater openness and a decreasing tolerance

of secrecy for the super-rich. Moves to embrace freedom of information and open data are punctuated by high-profile leaks like the Panama Papers and WikiLeaks.

Several traditionally private shipping registries have now adopted a more open approach, even where this may appear in contradiction to data protection regulations like GDPR. This has led some owners to seek new flag states although, as Dominic says, the direction of travel is towards open registries.

The use of trusts, foundations and bond structures reflect owners' desire for confidentiality.

“Mitigating liability to VAT used to be the main angle. But now owners are seeking solutions that provide 100% anonymity.”

IAN PETTS
EUROPEAN BUSINESS DEVELOPMENT, MARTYN FIDDLER



TWO

Personal and corporate taxation

Most owners wish to correctly apply regulations to minimise tax exposure. This is a complex area and requires advice from specialist tax advisers. Among the factors to consider are the yacht's flag state, the owner's country of residence and where and how the yacht will be used.

A yacht's flag state determines the laws and regulations under which the vessel operates and these can include tax liabilities for personal use, importation and capital gains or transfer taxes.

The owner's country of residence and the territory where the yacht will be used can interact to affect the use of schemes such as the EU's Temporary Admission rules.

Some countries, especially northern European states including the UK, Netherlands and Denmark, consider personal use of corporate assets as a taxable benefit in kind (BIK). This has led to

an increased use of limited liability partnerships (LLPs) as the owning entity. If a director of a yacht-owning company makes personal use of the yacht, there could be a benefit-in-kind tax liability equal to the charter value of time spent onboard. Using a properly structured LLP, the partnership members (partners) can use partnership property without incurring any BIK.

A yacht operating wholly privately is unlikely to be liable for corporation tax (as it will not make a profit), but commercial charter activities are liable for tax.

Other taxes that may affect asset structure decisions include capital gains tax (on eventual sale), stamp duties or transfer taxes on change of ownership, import duties on entering some jurisdictions, withholding tax, and various luxury or environmental taxes and levies in different jurisdictions.



THREE

Value-Added Tax (VAT)

VAT is a critical consideration for yachts operating in the EU.

Bruce Maltwood says, "Ultimately, many clients are coming to us because they want to mitigate VAT on the acquisition of such a large asset."

VAT rates are typically 20-25% and apply to yachts purchased within or "permanently imported" into the EU.

Non-EU owners can use Temporary Admission (TA) rules whereby non-EU owners can bring their non-EU-flagged yacht into EU waters for private use for a period of 18 months without incurring VAT liability. The vessel must leave the EU before the 18 months are up, although they can exit and re-enter to re-set the clock.

The TA rules have simplified structures for some UK residents.

"Since Brexit, instead of needing to put a commercial structure in place to mitigate VAT, UK residents can simply operate under the Temporary Admission 18-months rule," Bruce explains. "Although we would always recommend a corporate structure from a liability perspective, Brexit has reduced complexity and cost, particularly for owners of smaller yachts."

Use of TA rules is closely monitored by tax authorities. Web and social media searches make it easier for authorities to build a picture and question an owner's residency status. Penalties for mis-use of TA rules are heavy, making it essential to maintain accurate and detailed records of movements.

When a yacht enters the EU, VAT falls due at the first port of entry, so it is critical that arrangements are put in place before entry based on the choice of private or commercial structure selected.

"Since Brexit, UK residents can simply operate under the Temporary Admission 18-months rule. Although we would always recommend a corporate structure from a liability perspective, Brexit has reduced complexity and cost, particularly for owners of smaller yachts."

BRUCE MALTWOOD
DIRECTOR OF YACHT SERVICES, PRAXIS

FOUR

Flag states, jurisdiction and regulation

The decision on flag state – the country on whose shipping registry the yacht will appear – determines a yacht’s regulatory, tax and operational obligations. The flag state is the jurisdiction that oversees a vessel’s registration, safety and compliance.

Some countries, such as the US and France, require that vessels flying their flag employ crew of that nationality. This can be a significant constraint where there is a general shortage of experienced superyacht crew.

For non-EU registrations, the Cayman Islands and Marshall Islands are two of the most popular registries for superyachts. The Cayman Islands, as a member of the Red Ensign Group⁸ (entitled to fly the British merchant shipping, red ensign flag), is particularly popular and holds a certain prestige. Both provide a high level of service, support and regulation and are familiar with complex ownership structures.

For vessels requiring an EU registration, Malta is extremely popular. As well as enabling private and charter use within EU waters, Malta has made itself attractive through its innovative finance and leasing schemes that seek to reduce or defer VAT liability on boats coming into EU waters.

Following a clampdown on the original Maltese Leasing Scheme and the introduction of a simplified import process by France – the French Reverse Charge Scheme – Malta is now less

popular from a VAT perspective, though still important as a flag state.

All premier, offshore flag states maintain very high KYC standards, often even higher than jurisdictions like the UK.

The flag state decision for each yacht will be the result of detailed discussions between owners’ representatives and advisers to determine where the yacht should best be (or cannot be) registered to map to the UBO’s personal situation.

It’s also important to consider what happens if something should go wrong. As Ian Petts observes, if you choose a smaller or lesser-known registry can you easily get a lawyer versed in the employment or marine law for the state you’ve chosen? The reputation of the flag state is a critical consideration, Chris Stokes says.

Where will the yacht travel? Vincent McCartney advises his clients to consider local perceptions of the flag that will fly from your yacht. That can be as simple as the mild frictions caused by a Gibraltar flag in a Spanish port, or Dubai’s reputation for poor human and workers’ right when a yacht enters an EU port. Ian also notes that some owners are sensitive about Christian symbolism and might prefer to avoid flags such as the three lions of Jersey, the cross of Guernsey or the majority of red ensign flags which have the Union Jack in the canton (top left).









FLAG STATE	EU STATUS	PRESTIGE	SUPPORT FOR COMMERCIAL USE	CREW FLEXIBILITY	POPULARITY WITH SUPERYACHTS
 UK	YES	HIGH	MODERATE	MODERATE	MODERATE
 FRANCE	YES	HIGH	COMPLEX	LOW	MODERATE
 ITALY	YES	HIGH	COMPLEX	LOW	MODERATE
 CAYMAN ISLANDS	NO	HIGH	EXCELLENT	HIGH	HIGH
 MARSHALL ISLANDS	NO	MEDIUM	EXCELLENT	HIGH	HIGH
 MALTA	YES	HIGH	EXCELLENT	HIGH	HIGH
 COOK ISLANDS	NO	LOW	MODERATE	HIGH	GROWING
 ST VINCENT & GRENADINES	NO	LOW	LIMITED	HIGH	NICHE

FIGURE 2 Summary of common superyacht flag states



“Everywhere is so accessible, now. We see younger clients who want to travel further and have that explorer experience. They want to go down to Antarctica or around the Scottish islands – places that traditionally were not charter destinations.”

VINCENT MCCARTNEY

CEO OF CAMPER & NICHOLSONS' CORPORATE SERVICES

FIVE Geography

Geography impacts ownership structures in two ways: the location of owners and the operational movements of yachts.

Owners

The US is home to the largest number of UHNWIs, with 37.8% of the world's ultra-wealthy,⁹ and has the largest ownership of superyachts with 25.2% of yachts over 40m.¹⁰

With only a handful of yacht-building shipyards left in America, new-build clients are turning to European builders which adds an additional consideration in deciding on usage and registration. In addition, as Camper & Nicholson's recently observed, financing structures are often different for US buyers from a market that culturally makes greater use of credit.¹¹

The Asia-Pacific region is home to over a quarter (27.5%) of the world's ultra-high net worth individuals (UHNWIs)¹² and, by 2030, the region will see a generational transfer of \$5.8 trillion according to McKinsey.¹³

US and Asian wealth typically makes greater use of family office structures (Hong Kong and Singapore alone are home to 15% of the world's single-family offices).¹⁴ As a result, asset structures for yacht acquisitions are increasingly influenced by existing family structures and the requirements of the family office.

Yachts

Operating geography can complicate tax and asset structure planning. If the yacht is going to operate solely in EU waters, the solution can be straightforward, but if the intention is to regularly travel further afield, that needs careful planning to avoid large tax liabilities.

Recent years have seen yachts voyage further (including the growing interest in explorer yachts, built for longer voyages to wilder seas).

“While the most common currencies for large payments remain the US dollar and euro, we see increasing demand for multi-currency capability on card and bank payments for charter spend and operational expenses,” says Mark Perry, Centtrip's Director for Marine.

The desire to adventure further is partly a reflection of wealth becoming younger, on average. As Bruce Maltwood explains, “The previous generation might have sat on their yacht off Saint-Tropez enjoying a leisurely lunch. But younger owners want to explore the world, to create experiences and make memories. A yacht is the perfect environment for that.”

Starlink makes it possible to stay connected anywhere on the ocean. As The Times noted recently,¹⁵ owners can now hold board meetings onboard. They can spend longer on their yachts and still run their business. One of Bruce's clients, back from a dream voyage to Galapagos, spends eight months a year on his yacht.

As Chris Stokes notes, “Owners increasingly see their yacht as a second home. They're spending more time on board and they're including offices, gyms and beauty salons in the design because of that.”

But, being a well-heeled digital nomad can play havoc with VAT planning. As Bruce notes, some clients have chosen simply to pay the VAT so that they have free movement without the controls and disruption of tracking time in EU waters.

SIX

Demography

As we explored in our previous report, *The Changing Faces of Wealth*, the average age of the super-wealthy is decreasing, partly through the great, generational wealth transfer and partly because of highly successful tech entrepreneurs who made their fortunes at a young age.

This younger wealth is changing the superyacht industry. They are travelling further afield and, with younger families, are changing yacht design, demanding more family space, more entertaining space and more toys.¹⁶

Younger wealth is also making greater use of family office structures.

From an asset structure perspective, the key factors are geography of use (as above) and accommodating family office requirements, although estate inheritance planning should also be a consideration. Trusts and foundations can help simplify estate planning.

It's also worth noting that younger generations, even the wealthy, have a different attitude to ownership of expensive assets and are much more open to shared ownership and subscription models, such as JLR's Pivotal service for luxury cars.¹⁷ Could this become reflected in a preference for chartering, rather than owning, a superyacht? Some observers note an increase in younger charter clients. Is this a lasting trend, or are these younger charterers the next generation of owners? For some, only ownership will do.

SEVEN

Finance

"In my career, I've not seen such an appetite from clients for finance," says Vincent McCartney.

Even the super-wealthy use finance. As well as a preference for using "other people's money", within the EU financing can create an opportunity for VAT deferral.

"But, on the flip side," Vincent continues, "lenders rarely lend for yachts. Even successful, very high-profile finance houses who claim to do yacht financing will cherry-pick their clients. And, it's normally not about the asset that's being financed. It's more about the individual. Banks will say yes, because they want the client as a client."

There are several reasons why financing a yacht is difficult. In contrast to private jets, the market for superyacht finance is much smaller and less liquid, Ian Petts says. Superyachts can depreciate quickly in poor economic times and, while there are practical limits to how a jet can be personalised, superyacht values can be easily impaired with a very personal refit.

"The world is 71% water," shares Chris Stokes, highlighting the vast opportunities for yacht exploration across the globe. "Unlike the stability of bricks and mortar in, say, London, the sea offers unparalleled freedom and adventure."

When considering asset structuring in finance, access to financial resources plays a crucial role. Chris points out that flag states such as the Marshall Islands are respected for their efficiency as a jurisdiction and host of unique benefits, whereas somewhere like Cayman have strong financing and banking solutions, which highlight the importance of evaluating all aspects when making financial decisions.

EIGHT

Technology

While Starlink is one of the most prominent developments, technology is affecting asset structure decisions in other, perhaps less obvious, ways:

Cybersecurity and data sovereignty
More advanced technology means more data and a greater attack surface for cybercriminals. Owners may be more attracted to flag states and partners (yacht managers, corporate service providers etc) with robust data protection protocols and regulations. Owners and family offices may require partners to conform to cybersecurity standards.

All parties should ensure they work with data, payment and communications partners that have the highest levels of security and encryption.

Monitoring and remote management
Superyachts now have digital twins, virtual representations that are updated in real time with data from onboard sensors and telemetry monitoring the performance of engines and onboard systems. These can report potential issues direct to ownership and management platforms and are used for predictive maintenance. Data is also to validate yacht usage for dual-use or VAT and customs audits. There is often tighter integration between the yacht and yacht management or family office systems.

The result may be longer-lasting relationships with more tech-literate, interoperable service providers and partners.

Systems integration
With more advanced systems for asset management and risk monitoring, family offices may require asset structures and related data flows to be auditable and accessible in real time through API feeds.

"Using the Centtrip API, or our direct integrations with DeepBlue, Aquator, QuickBooks Online and Xero, clients benefit from real-time visibility and control over expenditure," notes Mark Perry from Centtrip. "The data includes cardholder notes, receipt images and, of course, direct mapping to a user's chart of accounts in their finance system."

Digital transparency and global reporting
Governments and regulators are using data-sharing platforms, AI and analytics to track asset ownership and detect inconsistencies. Owners and advisers may opt for simpler, more defensible asset structures and be more cautious about nominee and other opaque arrangements.

Across the board, technology is improving transparency, auditability and pro-active management.



NINE

Commercial use

Will the yacht be for purely private use?
Will it be available for commercial charter or a mixture of both?

The decision affects all aspects of operation including insurance, financing, regulation, crewing (and crew certifications), and operational management. Many yachts will be used for both, to a greater or lesser extent, and this too will affect the asset structure.

Some flag states do not support dual-use registrations or have limited support for

commercial use, while others like Cayman Islands, Marshall Islands , Malta and Isle of Man offer Yacht Engaged in Trade (YET) schemes that enable private yachts to charter legally for a limited period without requiring full commercial registration.

Operating a yacht commercially can be attractive to offset running costs, but careful structuring, compliance and record keeping are essential. It is a decision that is best made at the outset, when the initial ownership structure is put in place.

TEN

Crew

Yachts typically use a third-party crew management business to employ and pay crew and to ensure their training and certifications are maintained. This includes ensuring compliance with STCW and role-specific certifications as required by the yacht's flag state.

Using an experienced crew employment and payroll company provides both the crew and owner with the confidence that necessary regulations are being met. It also protects the owner. As Chris says, "One of the largest ongoing operational costs onboard is crew and they also represent a significant liability risk for themselves and the owner."

Looking after crew is important. Whether the owner is aboard or not, the yacht will be crewed and payroll costs are the largest chunk of a yacht's very high operating costs.

"The numbers of available crew are not keeping pace with the volume of yachts afloat and under construction," Bruce says. "Retaining quality crew is critical because continuity ensures the owner is

getting the experience they want. They don't want fresh faces every time they board their yacht. Nor do they want the high cost of crew churn or terminating and hiring crew if employment is not continuous."

Owners being on board for longer periods and travelling further impacts crew as does the increasing regulation and responsibility. Remuneration is increasing and more crew members are seeking rotational positions with, say, one month on, one month off, so that they can manage a family life.

There is an additional consideration regarding the safety and security of crew. While crew members posting location details on social media has often been recognised as a potential security threat,¹⁸ the risk works both ways. If the owner of the yacht is a potential target for criminals or activists, crew can become targets themselves – for blackmail, extortion, cybersecurity attacks or violence. Another strong reason for maintaining privacy.

ELEVEN

Expert intermediaries

Unsurprisingly, as decisions become more complex, greater expertise is required. This can take two different forms.

In some situations, reflecting their growing use, a family office will represent the owner and handle the asset management and financing aspects, perhaps engaging an independent yacht specialist to provide the domain knowledge they lack. With the resources to manage multiple parties, family offices will often engage directly with mature, and respected boutique specialists for crew management, yacht management etc.

In other situations, owners will use single, cross-disciplinary, solution providers.

In 2023 Praxis, a global provider of bespoke professional services to private individuals, families and international corporate clients, added Sarnia Yachts (now Praxis Yacht Services) to its fold. In the same year, Camper & Nicholsons,

"the original yachting company", added a dedicated Corporate Services division to its offering.

As Praxis's Bruce Maltwood says, "It is critical that the elements of ownership, management and crewing communicate effectively. A single provider means one contact point to resolve any issues and everybody operating on a single platform."

A one-stop shop approach can be very valuable for clients if it's created with an appropriately skilled and experienced team.

As Vincent McCartney, who heads Camper & Nicholsons' Corporate Services, warns, too often corporate service firms' yachting divisions are under-resourced and used simply as a gateway to pitch other business to the ultra wealthy. Done well, however, a single solution provider can ask the right questions and provide the best advice from the earliest stage of build or purchase.

"Retaining quality crew is critical because owners don't want fresh faces every time they board their yacht. Nor do they want the high cost of crew churn or terminating and hiring crew if employment is not continuous."

BRUCE MALTWOOD
DIRECTOR OF YACHT SERVICES, PRAXIS

TAKEAWAY

Personal situation and requirements

Despite the above variables, the most important consideration for advisers will be the owner's personal circumstances and preferences. In fact, as Dominic says, the actual yacht has a relatively small part to play in planning the best structure:

- Does the owner wish to use the yacht privately within the EU?
- How will their usage divide between commercial (charter) and private, and between EU and non-EU waters?

Beyond that, any asset structure must meet the needs of an owner's unique, personal situation. The process can often be iterative and fairly circular as different structures are proposed, explored and discounted.

There will always be some owners who insist on a simple ownership structure, regardless of what's optimal for their situation. Some will want to own the yacht directly, in a personal capacity; others will insist on, say, a UK limited company despite the potential tax liabilities. It is for advisers to act as best they can in the interests of their clients.

“[Deciding on asset structure] can't be 'one size fits all'. Even if you have two UK res-doms looking to buy a yacht and use it in the same territorial waters, we need to consider all of the variables – what they're planning to do. Where do they have economic activities? Where do they have holiday homes?”

VINCENT MCCARTNEY

CEO OF CAMPER & NICHOLSONS' CORPORATE SERVICES

The consequences of complexity

What does this mean for the agents, advisers, intermediaries and partners who support yacht ownership?

Focus on the owner

"A client's superyacht is their leisure. It's not their business," says Chris Stokes.

The role of advisers and service providers is to remove the hassle and complications and keep things as simple as possible so the owner can enjoy their yacht.

In a global industry that means having a worldwide perspective, knowledge of regulations and compliance across different jurisdictions and sensitivity to cultural differences, too.

Privacy, confidentiality and security are key concerns for yacht owners. Through the complex interaction of the above variables, advisers and service providers must keep confidentiality top of mind.

That will mean working with partners to streamline information flows without compromising security. It will also mean streamlining onerous but necessary processes like KYC to minimise frustration for the client.

Meeting owners' aspirations will require more time and a deeper consideration of how owners' personal situations and plans interact with the intended use of the yacht. That makes it essential for all parties to be involved as fully and as early as possible so that different perspectives can be considered.

As more partners become involved, it is essential that roles and responsibilities are clearly established. For example, are crew certifications the responsibility of the yacht management or the crew management company? Duplication can be costly, but gaps in delivery can be fatal.

Agents, advisers and partners will need to clearly agree responsibilities at the outset in order to deliver the best possible service to the owner.

Build trusted relationships

"This is a relationship-driven industry," Chris says. "We're dealing with multi-million-dollar assets and trust, above all, is the biggest factor. If you establish trust, you get referrals, you get endorsements, you get people knocking on your door."

As we saw in *The Changing Faces of Wealth*, trust, service and highly-personalised relationships are essential when dealing with high-net-worth clients. In that report, we heard that "You will crash and burn if the level of service is not where it needs to be. In a world where reputation and referral are everything, that would be enormously damaging."¹⁹

As the asset structure decision becomes ever more complex, being a trusted, knowledgeable, safe pair of hands is essential.

Streamlining interactions, communications, data and cash flows

Too many layers and too many players can add delay and cost to every interaction. Owners or their representatives can quickly become frustrated with endless KYC requests, too many meetings with expensive advisers, funds delayed in transit and reports delayed while data is compiled.

"An alternative banking solution like Centtrip can help streamline data and cash flows" says Mark Perry. "With fast onboarding, instant, fee-free transfers between accounts, simple management of multi-currency payments, expenses and balances, and real-time reporting, Centtrip can

remove many of the barriers to effective yacht operations."

Greater tech literacy

Advisers and potential partner organisations will need to stay up to speed with technology developments and ensure they can meet owners' evolving expectations.

Cybercrime is growing quickly everywhere, and firms of all types will need to closely monitor their cybersecurity to stay ahead of criminals.

Record keeping and auditability

As yachts travel further across more jurisdictions, as owners spend longer aboard and periods on charter possibly become more fragmented, as authorities become much more diligent in pursuing "lost" tax revenues and yachts leave ever greater data trails, accurate and detailed record-keeping will be essential.

Yachts will wish to defend against enquiries with easily auditable, detailed records of use, travel and expenditure.

"Superyachts have become a global industry and the service provider must have a global understanding of culture, of compliance and of regulatory obligations. Political implications, international laws, owner and crew nationalities, yacht size and usage all impact rules that need to be complied with. Our role as service providers is to remove the hassle and make it as simple as possible for owners to enjoy their yachting lifestyle."

CHRIS STOKES
PARTNER AT SAFEHAVEN MARINE SERVICES & PTC FIDUCIARIES

Centtrip: simplifying cash flows for complex asset structures

From instant, fee-free transfers across the asset structure to simply buying fresh lobster from a remote quayside, Centtrip supports superyacht operations

Designed to meet the unique needs of the most demanding, fast-moving, high spending sectors like superyachts, the Centtrip platform and suite of services provide secure and regulated alternative banking solutions including:

- Escrow services, agreements and accounts tailored to superyachts
- Fast and efficient onboarding of new accounts
- Instant, fee-free transfers between independent accounts on the Centtrip platform
- Expertise in managing complex asset structures
- Multi-currency account, card and expense solution to streamline international operations
- Foreign exchange desk to help hedge currency risk.
- Strict security protocols and best-in-class compliance procedures to ensure total security of your finances and data.





Acknowledgements

This report would not have been possible without expert input from those who deal with superyacht asset structures on a daily basis.

We gratefully acknowledge the valuable time and insights contributed by:

Dominic Bulfin
Legal Director at Hill Dickinson LLP

Bruce Maltwood
Director of Yacht Services at Praxis

Vincent McCartney
CEO of Camper & Nicholsons' Corporate Services

Mark Perry
Director of Marine, Centtrip

Ian Petts
European Business Development, Martyn Fiddler

Chris Stokes
Partner at Safehaven Marine Services & PTC Fiduciaries

References

1. US Treasury
Financial Crimes Enforcement Network
fincen.gov/resources/statutes-regulations/usa-patriot-act

2. Financial Action Task Force (FATF)
fatf-gafi.org/en/topics/fatf-recommendations.html

3. OECD, Base Erosion and Profit Shifting (BEPS)
oecd.org/en/topics/policy-issues/base-erosion-and-profit-shifting-beps.html

4. OECD
oecd.org/en/publications/consolidated-text-of-the-common-reporting-standard-2025_055664b1-en.html

5. IRS, Foreign Account Tax Compliance Act (FATCA)
irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca

6. Boat International (2024),
How are Houthi attacks in the southern Red Sea affecting the superyacht sector?
boatinternational.com/boat-pro/superyacht-insight/houthis-red-sea-attacks-superyacht-sector

7. Superyacht News (2024),
Activists attack again
superyachtnews.com/fleet/activists-attack-again

8. redesigngroup.org

9. Altrata (2024),
World Ultra Wealth Report 2024
altrata.com/reports/world-ultra-wealth-report-2024

10. SuperYacht Times (2024),
Monaco Yacht Show Market Report 2024
monacoyachtshow.com/media-file/311793/monaco-yacht-show-market-report-2024.pdf

11. camperandnicholsons.com/magazine/trendsintheusyachtbrokeragemarket

12. Altrata (2024),
World Ultra Wealth Report 2024
altrata.com/reports/world-ultra-wealth-report-2024

13. McKinsey (2024),
Asia-Pacific's family office boom: Opportunity knocks
mckinsey.com/industries/financial-services/our-insights/asia-pacifics-family-office-boom-opportunity-knocks

14. McKinsey (2024),
Asia-Pacific's family office boom: Opportunity knocks
mckinsey.com/industries/financial-services/our-insights/asia-pacifics-family-office-boom-opportunity-knocks

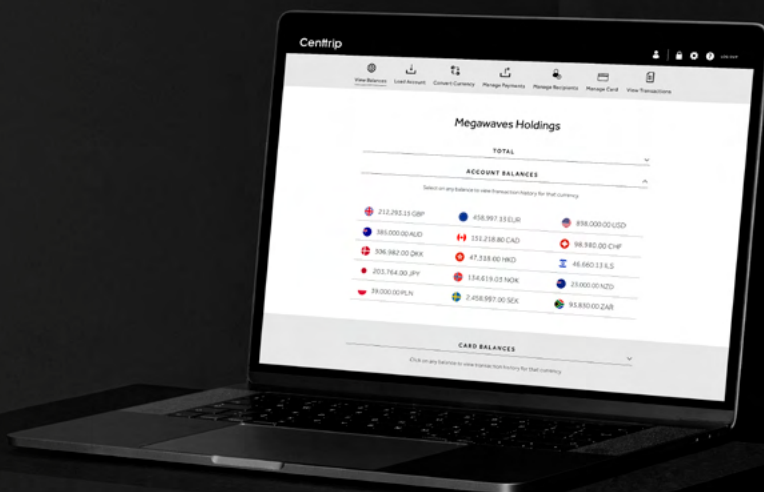
15. The Times (2025),
Super-rich working from their yachts thanks to satellite internet
thetimes.com/uk/transport/article/super-rich-working-from-their-yachts-thanks-to-satellite-internet-rsxznqwh

16. elitetraveler.com/cars-jets-and-yachts/yachts/millennials-superyacht-industry

17. drivepivotal.com




18. Superyacht Investor (2016),
Terrorist Threats and Social Top List of Superyacht Security Issues
superyachtinvestor.com/opinion/4001-147/

19. Angus Dixon, Head of Residential at Making Moves London.



Contact us

Get in touch today to explore how Centrip can support you and your clients' operations.

 centrip.com  marine@centrip.com  +44 (0)20 3735 1735

Centrip is a group of companies. Centrip Limited is a company registered in the United Kingdom with company number 08651138. Registered office: 9 Noel Street, London W1F 8GQ, UK. Centrip Limited is authorised and regulated by the Financial Conduct Authority as an Electronic Money Institution under registration number FRN 900717. Centrip Europe B.V. is a company registered in the Netherlands with company number 74261010. Main office: Herengracht 124-128, 1015 BT Amsterdam, The Netherlands. Centrip Inc. is a company registered in Delaware, United States under registration number 3590437. Main office: 501 East Las Olas Blvd, Suite 300/200, Fort Lauderdale, FL 33301, USA. For full Privacy & Terms visit centrip.com/privacy-terms © Centrip Ltd.